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**INVESTIGATION OF IMPROPER ACTIVITIES IN THE
LABOR OR MANAGEMENT FIELD**

**HEARINGS
BEFORE THE
SELECT COMMITTEE
ON IMPROPER ACTIVITIES IN THE
LABOR OR MANAGEMENT FIELD
EIGHTY-SIXTH CONGRESS
FIRST SESSION
PURSUANT TO SENATE RESOLUTION 44, 86TH CONGRESS**

AUGUST 11, 12, 13, 20, 21, SEPTEMBER 8 AND 9, 1959

PART 58

**Printed for the use of the Select Committee on Improper Activities in the
Labor or Management Field**



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C O N T E N T S

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INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

(On August 11, 1959, John D. Dale, Marcus L. Friedman, Ernest H. Love, and Peter Zvara testified in executive session before the Senate Select Committee on Improper Activities in the Labor or Management Field. This testimony was made public by the members of the Select Committee on Improper Activities in the Labor or Management Field on August 19, 1959, and follows below.)

TUESDAY, AUGUST 11, 1959

U.S. SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D.C.

The select committee met at 12:10 p.m., pursuant to Senate Resolution 44, agreed to February 2, 1959, in room 3302, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, of Arkansas; Senator Karl E. Mundt, Republican, of South Dakota; Senator John F. Kennedy, Democrat, of Massachusetts; Senator Sam J. Ervin, Jr., Democrat, of North Carolina; Senator Frank Church, Democrat, of Idaho; Senator Barry Goldwater, Republican, of Arizona; Senator Carl T. Curtis, Republican, of Nebraska; Senator Homer E. Capehart, Republican, of Indiana.

Also present: Robert F. Kennedy, chief counsel; Jerome S. Adlerman, assistant chief counsel; P. Kenneth O'Donnell, assistant counsel; Paul J. Tierney, assistant counsel; Robert E. Manuel, assistant counsel; Pierre E. G. Salinger, investigator; Carmine S. Bellino, consulting accountant; Ruth Y. Watt, chief clerk.

The CHAIRMAN. The committee will come to order.

(Members of the select committee present at time of convening: Senators McClellan, Mundt, Kennedy, Ervin, Church, Capehart, Goldwater, and Curtis.)

The CHAIRMAN. Please be sworn.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. DALE. I do.

TESTIMONY OF JOHN D. DALE

The CHAIRMAN. Senator Curtis, before you proceed to interrogate the witness, do you want to make any statement for the record as to the purposes of the investigation?

Senator CURTIS. The purpose of this investigation is to lay before the committee in executive session certain information that has come to me, for the purpose of delivering that information to the committee in executive session, under oath, so that the committee might decide whether or not a full-fledged investigation should be made. This is not presented with the idea that it is a completed investigation.

Mr. Dale, where do you reside?

Mr. DALE. Neversink River Road, Red Bank, N.J.

Senator CURTIS. What is your business or profession?

Mr. DALE. I am a management consultant.

Senator CURTIS. With what company?

Mr. DALE. The George Elliott Co., of New York.

Senator CURTIS. That is at 521 Fifth Avenue?

Mr. DALE. No, sir; it is 400 Park Avenue now.

Senator CURTIS. How long have you been with the George Elliott Co.?

Mr. DALE. Since late 1955.

Senator CURTIS. Who were you with before that?

Mr. DALE. The Charles Hardy, Inc.

Senator CURTIS. What was the work of that firm?

Mr. DALE. Research and development in powder metallurgy and industrial consultant.

Senator CURTIS. You are an engineer?

Mr. DALE. No, sir. I do not have a degree in engineering.

Senator CURTIS. What type of surveying or service does the George Elliott Co. render to companies?

Mr. DALE. Two major areas, one in the manufacturing field. We specialize in industrial engineering, wage incentive systems, production, planning and control systems, employee training programs, standard cost accounting systems. Broadly, management systems.

And in the other area, in executive personnel, we do appraisal, selection procedures, training, and related items.

Senator CURTIS. Are you an owner or part owner of the George Elliott Co.?

Mr. DALE. I am the controlling interest.

Senator CURTIS. In the recent years, have you had contracts to perform work for any industrial concerns in the Toledo, Ohio area?

Mr. DALE. Sir, we never work under contract in the sense of a signed document. We have been engaged in the Toledo area.

Senator CURTIS. You have been employed by firms in the Toledo area?

Mr. DALE. Yes, sir.

Senator CURTIS. And among those firms was there the Willys-Overland Co.?

Mr. DALE. Yes, sir.

Senator CURTIS. And Doehler Jarvis Co.?

Mr. DALE. Yes, sir.

Senator CURTIS. Textileather Co.?

Mr. DALE. Yes, sir.

Senator CURTIS. Electric Auto-Lite?

Mr. DALE. Yes.

Senator CURTIS. Gerity Machine Corp.?

Mr. DALE. I believe we did, but that was before my time. In fact, most of these were before my time. That was a partnership in those days.

Senator CURTIS. But you continued on with some of these transactions, did you not?

Mr. DALE. Electric Auto-Lite and Textileather.

Senator CURTIS. How about Willys-Overland?

Mr. DALE. I wasn't with the firm then.

Senator CURTIS. Mr. Manuel, you may proceed.

Mr. MANUEL. Mr. Dale, what was the original name of the George Elliott Co.?

Mr. DALE. George H. Elliott & Co., a partnership.

Mr. MANUEL. That was a partnership owned by whom?

Mr. DALE. Mr. George Elliott.

Mr. MANUEL. Did you buy Mr. George Elliott's interest in the partnership?

Mr. DALE. No, sir. It had been incorporated on May 1, 1955, and I acquired the controlling interest on January 3, 1956.

Mr. MANUEL. In response to Senator Curtis' questioning a while ago, you identified certain Toledo manufacturers with whom you had contracts to perform certain services, oral contracts at least.

Do you know whether Doehler Jarvis bargains collectively with the United Automobile Workers?

Mr. DALE. I understand they do.

Mr. MANUEL. And how about Electric Auto-Lite?

Mr. DALE. Yes.

Mr. MANUEL. How about the Gerity Machine Corp.?

Mr. DALE. I don't know about that one, sir.

Mr. MANUEL. How about Willys-Overland?

Mr. DALE. I understand they do, too.

Mr. MANUEL. How about Textileather?

Mr. DALE. I believe that is another union.

Mr. MANUEL. That is in fact represented by the United Textile Workers; is that right?

Mr. DALE. I believe it is, sir.

Mr. MANUEL. Did you testify before a grand jury in New York in the spring of this year?

Mr. DALE. Yes; I did.

Mr. MANUEL. And did you receive immunity from prosecution of any laws which might have been violated?

Mr. DALE. Yes.

Mr. MANUEL. Did Mr. George Elliott appear there, too, as a witness?

Mr. DALE. I understand he did.

The CHAIRMAN. Let me get this straight for my information. You mean you couldn't testify or didn't testify before the grand jury until they granted you some immunity?

Mr. DALE. They offered me immunity, which I took, or accepted, whatever the proper term is.

The CHAIRMAN. For what?

Mr. DALE. For testifying in this matter.

The CHAIRMAN. What is your immunity from?

Mr. DALE. From prosecution in the State of New York.

The CHAIRMAN. In other words, if you testified, they agreed not to prosecute you in the State of New York?

Mr. DALE. Yes, sir.

The CHAIRMAN. All right.

Mr. MANUEL. Do you know whether or not Mr. George Elliott also received immunity?

Mr. DALE. I do not know, sir.

Mr. MANUEL. He did not testify at any time when you were there?

Mr. DALE. No, sir.

Mr. MANUEL. Do you know Mr. Peter Zvara?

Mr. DALE. Yes.

Mr. MANUEL. Have you met Mr. Zvara?

Mr. DALE. Yes.

Mr. MANUEL. When did you first meet Mr. Zvara?

Mr. DALE. Late in 1955. I believe it was during the month of November.

Mr. MANUEL. November 1955. What was your connection with the George Elliott firm then?

Mr. DALE. I was a consultant, part time on the staff.

Mr. MANUEL. You were not a part owner?

Mr. DALE. No, sir.

Mr. MANUEL. Where did you first meet Mr. Zvara?

Mr. DALE. At the Taft Hotel in New York.

Mr. MANUEL. Will you describe to the committee the circumstances surrounding that meeting?

Mr. DALE. Mr. Elliott—George Elliott—asked me if I wanted to run over to the Taft and just meet some of the people connected with the Doehler Jarvis union committees who happened to be in New York, and he said I should know these people because I would probably be seeing something of them in future years, and would I like to just go along.

So I said, "Yes, I would." We went to the hotel. Mr. Elliott and I went to the bar downstairs. A few minutes later a man whom I later was introduced to as Peter Zvara and several other men came in. We were introduced. We had a drink together, and then Mr. Elliott and I left.

Mr. MANUEL. Is that all that transpired at that meeting?

Mr. DALE. That is all.

Mr. MANUEL. Were there any other officials of the UAW at that meeting in the Taft Hotel?

Mr. DALE. I believe—I understood Mr. Elliott to say that these other men were representatives of the local unions of Doehler Jarvis in other cities.

Mr. MANUEL. Had Mr. Elliott made previous arrangements with Mr. Zvara of any type with regard to a commission; that is, prior to the time you first talked?

Mr. DALE. I do know now, but I didn't know then. I know he had made an agreement.

Mr. MANUEL. Would you tell the chairman what those arrangements were?

Senator ERVIN. This would seem to be hearsay. Is there some way to show how he acquired the information?

Mr. MANUEL. I think he has firsthand knowledge from examining the records.

Senator ERVIN. Let him show what the records had. The point I am making is that he didn't know at the time. That is why I think it is essential to show if he has any credibility—or to determine his credibility—on how he came into possession of the knowledge, if he did.

Mr. MANUEL. I will lay a foundation.

How did you arrive at this knowledge that you say you now have?

Mr. DALE. After I took title to the controlling interest in the company, the date of controlling interest was January 3, 1956. I believe it was 9 days later, on the 12th of January, Mr. Elliott first disclosed to me in the presence of Mr. Zvara that he had made an agreement to pay Mr. Zvara a commission for obtaining the Electric Auto-Lite Co. assignment.

Mr. MANUEL. That was the first time you were notified of this arrangement, then?

Mr. DALE. Yes.

Mr. MANUEL. Can you describe to the committee exactly what the arrangement was, what services you were to perform, what services Mr. Zvara was to perform, and his method of compensation?

Mr. DALE. Mr. Zvara had performed his responsibility with Mr. Elliott by somehow arranging for the Elliott Co. to get the assignment at the Electric Auto-Lite Co. I was told that it was an obligation of the company to pay Mr. Zvara a commission of 15 percent of the net engineering service billing after it was collected from the client for having obtained the business.

Mr. MANUEL. To pay the company. When you say that, you mean the Elliott Co.?

Mr. DALE. For the Elliott Co. to pay Mr. Zvara.

Mr. MANUEL. Do you know what Toledo employer your company then had this contract with? At the time you were told of the arrangement, what contract with what employer was then being performed?

Mr. DALE. That was the Electric Auto-Lite Co.

Mr. MANUEL. What job did Mr. Zvara then hold with the UAW, if any?

Mr. DALE. He was—I believe his title was regional director of the United Auto Workers in Toledo. His only duties were connected with the Doehler Jarvis Co., as I understood it at the time.

Mr. MANUEL. Do you know what his exact title was with Doehler Jarvis?

Mr. DALE. I don't know for sure. I believe it was regional director.

Mr. MANUEL. Do you understand that he was codirector of the Doehler Jarvis Council?

Mr. DALE. I don't know exactly, not even now.

Mr. MANUEL. Do you know what the Doehler Jarvis Council is?

Mr. DALE. No, sir.

Mr. MANUEL. Do you know on whose staff Mr. Zvara was assigned at that time?

Mr. DALE. Well, I—

Mr. MANUEL. Who was his immediate superior?

Mr. DALE. I understand he reported to Mr. Gosser.

Mr. MANUEL. Mr. Richard T. Gosser?

Mr. DALE. Richard T. Gosser.

Mr. MANUEL. Do you know that he is vice president of the UAW?

Mr. DALE. Yes.

Mr. MANUEL. Do you understand that Mr. Zvara took his orders and authority directly from Mr. Gosser?

Mr. DALE. I don't know for a fact, but I would presume that he does.

Mr. MANUEL. After you became owner of the company, or part owner, did you then obtain any contract to do some of the work with Toledo employers?

Mr. DALE. Yes.

Mr. MANUEL. With whom?

Mr. DALE. Textileather Co.—

Mr. MANUEL. Well, stop there.

Would you describe the arrangement which was made with Textileather and how did Mr. Zvara come into that picture? Textileather negotiated with the United Textile Workers; is that correct?

Mr. DALE. I believe it was.

Mr. MANUEL. Would you tell us how Mr. Zvara came into that picture?

Mr. DALE. Mr. Zvara called me in New York one day, and this was while the Electric Auto-Lite Co. project was still going on, and asked me if the same commission arrangement as agreed to previously would be continued if our services were needed at the Textileather Division of the General Tire & Rubber Co.

I asked him then what the union was, and he told me it was, I believe, the Textile Workers' Union, if that is the correct title; and I asked him if he had anything to do with the union, and he said "No." Then I said, "All right, then, the same arrangement will prevail."

Mr. MANUEL. Did you understand that Zvara would be interested in getting that contract for your company or that his assistance would be needed, that is, with Textileather?

Mr. DALE. My understanding was that there was work that was going to be done, and that he could be somehow influential in having us, with several others being considered, appointed to do the work.

Mr. MANUEL. Mr. Chairman, we have certain records which have been obtained by this committee from the Hogan grand jury in New York. I should like to ask—

The CHAIRMAN. Were these records obtained by subpoena?

Mr. MANUEL. By your request, sir; just a letter, I believe.

The CHAIRMAN. By a letter of request.

Mr. MANUEL. Then Mr. Hogan got an order of the court releasing them to you, sir.

The CHAIRMAN. These are part of the grand jury records?

Mr. MANUEL. That is correct, Mr. Chairman.

The CHAIRMAN. You may proceed with the records.

Mr. MANUEL. Would you take these records, Mr. Dale, and see if you can identify them and describe what they are?

(The documents were handed to the witness.)

Mr. MANUEL. Look at the first one you have in your hand. What is that item?

Mr. DALE. These two are ledger sheets from the Charles Hardy Co.

Mr. MANUEL. Charles Hardy, both of them?

Mr. DALE. Both of these are; yes, sir.

Mr. MANUEL. What is the yellow one?

The CHAIRMAN. Are you going to make a record now?

Mr. MANUEL. I am not quite ready for the Charles Hardy records yet. I want him to identify them first.

What are the yellow pages?

Mr. DALE. Sir, this is the first time I have ever seen these records. I don't recognize the handwriting. It is dated May 31, 1950, and on the second page it is headed up, "Doehler Jarvis Corp."

Mr. MANUEL. Do you know whether or not those are transcripts of the Elliott Co. books and records?

Mr. DALE. They seem to be worksheets. I don't see the name Elliott on them anywhere here, but I am not here to speculate, sir.

Senator CHURCH. You can't identify that yellow sheet positively?

Mr. DALE. No. I have never seen these before.

The CHAIRMAN. The yellow sheet will be withdrawn.

Mr. MANUEL. You can identify the other two originals?

Mr. DALE. These two I have seen.

Mr. MANUEL. Would you pick up the one you have in your hand and identify that?

Mr. DALE. This is the billing record of service charges to the Electric Auto-Lite Co. of the George Elliott Co.

Mr. MANUEL. Mr. Chairman, may that be made exhibit No. 1?

The CHAIRMAN. The document you now have in your hand is what?

Mr. DALE. It is the billing record of the George Elliott Co. service charges to the Electric Auto-Lite Co.

The CHAIRMAN. Are you familiar with that record?

Mr. DALE. Yes, sir.

The CHAIRMAN. Did you keep that record?

Mr. DALE. It was kept in my company.

The CHAIRMAN. Kept in your company as a part of your company's records?

Mr. DALE. Yes, sir.

The CHAIRMAN. That document, consisting of one sheet, may be made exhibit No. 1.

(Document referred to was marked "Exhibit No. 1" for reference and will be found in the appendix on p. 20381.)

Mr. MANUEL. All right, Mr. Dale. Now, would you pick up the other folio of the Charles Hardy Co. and tell us what that is?

Mr. DALE. The sheet I now hold in my hand is the ledger account of the Hardy Co. recording transactions with the George Elliott Co. for the years 1956 and 1957.

Mr. MANUEL. May that be made an exhibit, Mr. Chairman?

The CHAIRMAN. You identify that personally? You know that to be the document you have described?

Mr. DALE. Yes, sir.

The CHAIRMAN. That is a part of your records, the records of your company?

Mr. DALE. No, sir. These are part of the records of the Charles Hardy Co.

The CHAIRMAN. How do you identify them?

Mr. DALE. I was president of that company for 10 years.

The CHAIRMAN. At the time these records were made?

Mr. DALE. No, sir. I ceased to be president at the end of 1955, but because I was a director of that company, I am personally familiar with these records.

The CHAIRMAN. You are still a director in the company?

Mr. DALE. Yes, sir.

The CHAIRMAN. That may be made exhibit No. 1-A. I think they may all tie together, though I don't know.

(Document referred to was marked "Exhibit No. 1-A" for reference and will be found in the appendix on p. 20382.)

(At this point Senator Mundt withdrew from the hearing room.)

Mr. MANUEL. And what is the other record that you have? Can you identify that?

Mr. DALE. Yes, sir; I can. This is the account of the Charles Hardy Co., the ledger account of Peter Zvara of the Charles Hardy Co.

Mr. MANUEL. That shows the commissions paid Mr. Zvara through the Charles Hardy Co.?

Mr. DALE. Yes, sir.

Mr. MANUEL. What are those amounts? Just the total.

Mr. DALE. In the year 1956, \$19,666.21; in 1957, \$14,296.81.

Senator CHURCH. May I ask at this point, has there been previous testimony with respect to the Charles Hardy Co., and its relationship with Peter Zvara? I understood at the time you had you contact with Peter Zvara it was in connection with your association with the George Elliott Co. I may be confused. But how does the Charles Hardy Co. enter the picture?

Mr. DALE. I asked my brother, who succeeded me as president of the Hardy Co., to pay these commissions to Peter Zvara because I didn't want to show them on the records of the George Elliott Co. as having been paid to Peter Zvara.

Senator CHURCH. Was this money paid out of moneys belonging to the Charles Hardy Co.?

Mr. DALE. No; these were commissions paid to Hardy who, in turn, paid the commissions to Zvara.

Senator CHURCH. In other words, the transaction was a coverup, money moving from the Elliott Co. to the Hardy Co., and from the Hardy Co. to Zvara; is that correct?

Mr. DALE. Yes. I had another motive, if you are interested in it.

Senator CHURCH. What was your other motive, besides the coverup?

Mr. DALE. To let Mr. Zvara know that no longer would he and one other person and I be the only people that knew that a commission was being paid.

Senator GOLDWATER. Who was the other person?

Mr. DALE. Mr. Elliott's former secretary, Miss Gould.

The CHAIRMAN. Do you want that document made an exhibit?

Mr. MANUEL. Yes.

The CHAIRMAN. That document may be made exhibit No. 1-B.

(Document referred to was marked "Exhibit No. 1-B" for reference and will be found in the appendix on p. 20383.)

Senator CHURCH. Why did you want others to know?

Mr. DALE. I wanted to stop the payment of commissions to Mr. Zvara.

(At this point Senator McClellan withdrew from the hearing room.)

Senator CHURCH. What was your relationship to Charles Hardy?

Mr. DALE. I was a member of the board of directors. In fact, I was chairman of the board at the time.

Senator CHURCH. And were you related to Mr. Charles Hardy?

Mr. DALE. No; I was not.

Senator KENNEDY. Do you have an attorney with you?

Mr. DALE. Today, sir?

Senator KENNEDY. Yes.

Mr. DALE. No; I do not.

Senator KENNEDY. You said you were given immunity in New York. Has your attorney advised you whether any of your testimony this morning, I don't know what it will be, will get you into any difficulty with regard to the Federal law, the Taft-Hartley?

Mr. DALE. My attorney has advised me in that regard.

Senator KENNEDY. That you are liable because of your testimony this morning to prosecution?

Mr. DALE. I understand so.

Senator KENNEDY. But you are familiar with that?

Mr. DALE. Yes, sir.

Senator CURTIS. Do you wish an attorney here?

Mr. DALE. Not at this time.

Senator CURTIS. I apologize to the witness for not asking the question initially.

(At this point Senator McClellan entered the hearing room.)

Mr. MANUEL. I should like those checks to be identified, Mr. Chairman, by this witness, if he can.

The CHAIRMAN. You may present them to the witness.

(The documents were handed to the witness.)

Mr. MANUEL. Would you look at those two exhibits and see if you can identify them?

Mr. DALE. Yes; I can.

Mr. MANUEL. What are they?

Mr. DALE. Check No. 537, of George H. Elliott & Co., Inc., payable to Peter Zvara, in the amount of \$3,149.67.

Mr. MANUEL. Is that endorsed by Mr. Zvara?

Mr. DALE. Yes.

Mr. MANUEL. Do you recognize that as his signature?

Mr. DALE. I do.

The CHAIRMAN. What is the date of it?

Mr. DALE. December 22, 1955.

Mr. MANUEL. What is the other one?

Mr. DALE. The second check is No. 538 of the same date, payable to Peter Zvara, in the amount of \$3,171.75.

Mr. MANUEL. Is that endorsed by Mr. Zvara?

Mr. DALE. Yes.

Mr. MANUEL. Do you recognize the signature as his?

Mr. DALE. Yes.

The CHAIRMAN. Both checks may be made exhibits—are they the same date?

Mr. DALE. Yes, sir.

The CHAIRMAN. They may be made exhibits Nos. 2-A and 2-B.

(Checks referred to were marked "Exhibits Nos. 2-A and 2-B" for reference, and will be found in the appendix on pp. 20384-20385.)

Mr. MANUEL. Were those payments made to Zvara while Mr. George Elliott still owned this company?

Mr. DALE. Yes.

Mr. MANUEL. Do you recall any conversations about the time those payments were made; that is, what Mr. Elliott may have told you as to the reasons prompting these payments?

Mr. DALE. Yes. Mr. Elliott came in on that same day and said—

I am going to pay some of the commissions that we owe rather than let them run into next year when the commissions will be heavy. I am going to pay some commissions now and I am just letting you know that I am doing this, if you have no objection.

He didn't tell me who they were payable to and he didn't show me the checks.

Mr. MANUEL. Mr. Chairman, I have two more checks here, one dated April 30, 1956, and May 18, 1956. I believe they go together. They could be made exhibit 3-A, if you wish.

After these payments were made here—

Senator ERVIN. Perhaps you wish to wait until these checks have been identified.

(The documents were handed to the witness.)

The CHAIRMAN. I do not want to interrupt you, but you ought to say what you are doing when you present these to the witness.

Mr. MANUEL. I only want him to identify the checks he was just handed, Mr. Chairman.

The CHAIRMAN. I don't want to take this over; I want you to do it. But if you want a record, you better make it.

Mr. MANUEL. Can you identify those two checks you now hold in your hand?

Mr. DALE. Check No. 1057 of George H. Elliott & Co., Inc., dated April 30, 1956, payable to Charles Hardy, Inc., in the amount of \$9,000, that I can identify.

Mr. MANUEL. Did you sign that check?

Mr. DALE. I was one of the two signatures.

Mr. MANUEL. What is the other one you have?

Mr. DALE. The other one is a check of Charles Hardy, Inc., dated May 18, 1956, payable to Peter Zvara, in the amount of \$7,096.87.

Mr. MANUEL. After the first two payments in December of 1955, I believe it was—

The CHAIRMAN. Just a moment.

Witness, do you identify those checks as you have stated?

Mr. DALE. I think this is the first time I have seen this check [indicating], except that I may have seen it in a heap before.

The CHAIRMAN. Do you identify one check?

Mr. DALE. I identified the Elliott Co. check, sir.

The CHAIRMAN. The Elliott Co. check may be made exhibit No. 3.

(Check referred to was marked "Exhibit No. 3" for reference and will be found in the appendix on p. 20386.)

Senator GOLDWATER. Whose signature is on the check?

Mr. DALE. Mr. George W. Haas, Jr., and Mr. F. H. Mulligan.

Senator GOLDWATER. Are they members of the firm?

Mr. DALE. They are both officers of the Hardy Co.

Senator CURTIS. And this is the company that you were a director of?

Mr. DALE. That is right, sir.

Senator CURTIS. And you know what the transaction involves?

Mr. DALE. Yes.

Senator CURTIS. And you know that that check was a part of the transaction, of which you had the knowledge?

Mr. DALE. Yes.

Senator CURTIS. Even though you, yourself, didn't see it?

Mr. DALE. Right.

Mr. MANUEL. Does that bear an endorsement on the back, the one you have now?

Mr. DALE. Yes.

Mr. MANUEL. What endorsement?

Mr. DALE. Peter Zvara.

Mr. MANUEL. Do you recognize that as Peter Zvara's signature?

Mr. DALE. Yes.

The CHAIRMAN. It is made payable to Mr. Zvara?

Mr. DALE. Yes, it is.

The CHAIRMAN. And it bears his endorsement which you identify?

Mr. DALE. Yes.

The CHAIRMAN. That check may be made exhibit No. 3-A.

(Check referred to was marked "Exhibit No. 3-A" for reference and will be found in the appendix on p. 20387.)

Mr. MANUEL. The check payable to the Charles Hardy Co., did you not just say that certain officials in the Elliott Co. became alarmed, possibly you for one of them, that the payments might be detected if they continued to come from the Elliott Co.?

Mr. DALE. There are two reasons why I wanted to use the Hardy Co. One was that the Association of Consulting Management Engineers in its code of ethics prohibits the payment of commissions on engineering business, and I did not want our company to show it until I could put a stop to the payment of commissions.

The second reason was that I wanted Mr. Zvara to know that someone else would be informed of the payment of these commissions to him.

Mr. MANUEL. Did Mr. Zvara agree to this procedure, that you would send the payment to the Charles Hardy Co.?

Mr. DALE. Yes, he did.

Mr. MANUEL. Was there any discussion that that might be wise in view of the fact that this committee might become aware of these transactions? Do you recall any such statements?

Mr. DALE. That was mentioned later on.

Mr. MANUEL. But not at this time? Or prior to these checks being written?

Mr. DALE. No. We discussed it from another point of view at that time.

Mr. MANUEL. While you are on the subject, what were those conversations, the fear that this committee might learn about it, and who made those statements, the best you can remember?

Mr. DALE. As I recall it, those discussions came about either later in 1956 or early 1957, when I was still trying to put a stop to the arrangement. It might have even been early 1958. I am very hazy on the date. But the publicity in the newspaper at the time was such that I asked Mr. Zvara on one occasion what if the McClellan committee should get interested in this, and he said, "Well, as far as I am

advised, there is absolutely no violation of the law, neither by you people nor us. I am not directly involved in any of these companies. I am completely independent in what I am doing here."

The CHAIRMAN. That is his statement to you?

Mr. DALE. Yes, substantially, sir. I am not quoting.

The CHAIRMAN. In other words, when some question arose about this committee might get information that such transactions were going on, he took the position that there was nothing wrong in it, is that what you are saying?

Mr. DALE. Nothing illegal.

The CHAIRMAN. Nothing illegal?

Mr. DALE. Right.

The CHAIRMAN. It wasn't a question, then, of ethics, as such, primarily, but there was no illegal act being committed?

Mr. DALE. That was his position.

The CHAIRMAN. Did he or did he not indicate any apprehension as to the consequences if this committee got hold of it?

Mr. DALE. Well, that was indicated to me the first day I met Zvara, but only indicated and not in relation to the McClellan committee. That was that he didn't want anybody else to know about the payment of these commissions.

The CHAIRMAN. That is when the transactions first started with you?

Mr. DALE. Yes, sir.

The CHAIRMAN. He didn't want anybody else to know about it then?

Mr. DALE. That is right.

The CHAIRMAN. But on the question of this committee finding out about it, that came up later?

Mr. DALE. That is right.

The CHAIRMAN. And not at the time the transactions were initiated?

Mr. DALE. That is right.

Senator CHURCH. Mr. Chairman?

The CHAIRMAN. Senator Church.

Senator CHURCH. May I ask: Over what period of time did these transactions continue; that is, roughly from when to when did you pay Mr. Zvara commissions for contract work procured through him?

Mr. DALE. The Electric Auto-Lite assignment, I believe, started in October 1955. Offhand, I am not aware of any payments to him on that assignment before the December 22 checks, of 1955.

Senator CHURCH. The agreement, at least, was reached in October 1955?

Mr. DALE. Mr. Elliott made that agreement. I am not certain of the date.

Senator CHURCH. Yes, I know. But I am talking about the transaction as between the Elliott Co. both prior to the time you took controlling interest and after the time you took controlling interest, to get the span of years involved that these transactions took place.

Mr. DALE. That was on or about October 1955, until May of 19—I wish I had my record here, whether it was 1957 or 1958.

Senator CHURCH. Assuming that the span of years covered the period from October 1955 to May of 1958, you took controlling interest in January of 1956?

Mr. DALE. That is right, sir.

Senator CHURCH. You have referred to these transactions as in violation of the engineers' code of ethics. Did you always so regard them?

Mr. DALE. Yes.

Senator CHURCH. Did you regard them as illegal, or merely in violation of the code, the standards of ethics?

Mr. DALE. Merely in violation of the code of ethics.

Senator CHURCH. You regard them merely as violations of the ethical code?

Mr. DALE. Yes, sir.

Senator CHURCH. Why was it so long after you took control of the company that you continued these arrangements, if you regarded them as unethical?

Mr. DALE. On March 31, 1956, I was supposed to make my final payment under the contract of purchase and sale for the controlling interest in the Elliott Co. to Mr. Elliott. Between the date that I took control, January 3, and March 31, I discovered certain irregularities, and certain exceptions that I should take with respect to my contract with Mr. Elliott. When I wrote Mr. Elliott on January 3—excuse me. When I wrote him on March 31 and told him why I was deducting some 23-odd thousand dollars, Mr. Elliott became very angry and started writing personal letters to several of our clients, to officers of the company, and to other employees, making statements which were not true, and which are now the subject of two actions in the Federal court in Kansas City.

At the same time, he had one conversation—I was informed he had one conversation—with Mr. Zvara, the effect of which was to tell Mr. Zvara that I was going to back out on the agreement that the company had made to pay him commissions on the Electric Auto-Lite job, and it was either on August 5 or 6, 1956, that Mr. Zvara met Mr. Elliott at an airport, which I believe was Philadelphia, where this matter was discussed.

I was caught square between the fires, of refusing to pay the commissions to Mr. Zvara, which he believed he had earned, and Mr. Elliott telling Zvara that I was not going to pay him and back out on the agreement.

It was around August 5 that Mr. Zvara asked me for reassurance that there would be no stoppage of the commission payments.

Senator CHURCH. Let me ask you this: Following the time that you took controlling interest of the company, did you enter into any subsequent agreements with Mr. Zvara involving the payment of money to him on a commission basis for work procured for the company?

Mr. DALE. That was the one continuation.

Senator CHURCH. I mean following the time you took controlling interest, did you enter into any new, subsequent agreements, relating to any new companies under the terms of which you agreed to pay Zvara a commission for procuring the contract for your company? Or were your payments following the time you took control all made pursuant to agreements that had previously been entered into?

Mr. DALE. They were pursuant to the same old agreement, but the identification was specific as to the Textileather assignment.

Senator CHURCH. The Textileather assignment, did you enter into that agreement following the time you took control of the company? Was that a new agreement, a new arrangement?

Mr. DALE. The same old arrangement. Mr. Elliott told me that he made an agreement with Mr. Zvara that he would pay a 15 percent commission on any business referred to him.

Senator CHURCH. I know. But after you took controlling interest of the company, if you regarded that practice as unethical, you didn't feel bound by it, did you, to extend it to new companies, after you had control of the Elliott Co.?

Mr. DALE. I felt bound primarily because of the basic agreement to pay a commission for business referred, but also the Electric Auto-Lite Co. job was still in progress, and we had so much trouble on that job that I didn't want to take any risk of interrupting that one, nor of breaking the agreement off completely with Mr. Zvara at that time.

But he had been told that we would discontinue the agreement.

Senator CHURCH. But you didn't discontinue it until May of 1958, which is about 2½ years after you took control of the company.

Mr. DALE. I have forgotten the date of the last payment. The record would show that. I believe it was about that time.

Senator CHURCH. That is all.

The CHAIRMAN. Let me get one thing straight, if I can, for clarification.

This Mr. Zvara, at the time you were making these payments and arrangements with him, even continuing the old agreement, was an official of the UAW; am I correct?

Mr. DALE. Yes, he was all that time.

The CHAIRMAN. And these commissions that you were paying were on business secured from companies that had a union contract, or a working agreement, with the UAW union; is that right?

Mr. DALE. Yes, sir.

Senator ERVIN. That was true, you stated, with reference to the Auto-Lite Co. But with reference to the Textileather Co., you said the union that was dealing with reference to their employees was the Textile Workers, and not the UAW?

Mr. DALE. That is correct.

The CHAIRMAN. One was one and one was the other?

Mr. DALE. That is correct.

Senator ERVIN. Were there any other companies that Zvara got you business from?

Mr. DALE. No, sir.

Senator ERVIN. Just these two?

Mr. DALE. I am quite sure there were no others. I think there were just those two that Mr. Zvara was paid a commission on.

Senator CAPEHART. Did the Auto-Lite Co. know that Mr. Zvara, a UAW Union official, was getting this commission?

Mr. DALE. No.

Senator CAPEHART. They did not know it?

Mr. DALE. Yes, sir.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. By way of background information, these surveys and services that you rendered to the company, the object of them was to make their operation more efficient, was it not?

Mr. DALE. Yes, sir.

Senator CURTIS. Did that sometimes eliminate jobs or steps in processes that would lessen the labor cost?

Mr. DALE. If the production level held at the same output, the likelihood would be that there would be fewer people employed.

(At this point Senator Goldwater withdrew from the hearing room.)

Senator CURTIS. And generally surveys of this kind are not looked upon with favor always by the rank-and-file union people; is that correct?

Mr. DALE. Sir, this was not a survey. This was an engineered performance standard.

Senator CURTIS. This service, there is some resistance at times on the part of the union people?

Mr. DALE. Yes.

Senator CURTIS. Is that quite a problem?

Mr. DALE. We have it on almost every job.

Senator CURTIS. When you made these commission payments to Mr. Zvara, one of the objects would be to lessen the resistance of the union to have this done, wouldn't it be?

Mr. DALE. Not as far as I ever understood it, sir. He was paid to get the job, and it was up to us to keep it going.

The CHAIRMAN. Let the Chair interrupt a moment. I was going along thinking maybe we could get through with this witness, but apparently we cannot get through before lunch. I had indulged the interrogation, thinking apparently we would get through. However, I do not think we will.

Is there much more?

Mr. MANUEL. Not too much more. I think we can move the exhibits along rather speedily.

The CHAIRMAN. Well, if we cannot get through, I would like to take a recess at this time until 2:15.

Is there any objection?

Senator KENNEDY. Let me ask one question, if I may, in case I am not here.

Was any other payment to any other union made by this company?

Mr. DALE. Yes.

Senator KENNEDY. What other unions?

Mr. DALE. The International Association of Machinists.

Senator KENNEDY. Is that the only other one?

Mr. DALE. In the days when Mr. Elliott was in charge, there were several other payments or gifts made to other unions, but I don't think they were more extensive.

Senator KENNEDY. Do you know who was involved in the Machinist case?

Mr. DALE. The names of the individuals?

Senator KENNEDY. Yes, or their titles.

Mr. DALE. A grand lodge representative by the name of Edward Swannie.

Senator KENNEDY. Do you know approximately how much was paid to him by the company or companies involved, or by the Elliott Co., excuse me?

Mr. DALE. From the time that I took over, I believe it was around \$6,000.

Senator KENNEDY. But you don't know how much previous to that. Do you know what he is doing now? Has any action been taken against him by anyone?

Mr. DALE. He resigned from the union sometime around January or February.

Senator KENNEDY. Did you ever inform anyone in the union that he was engaged in this practice?

Mr. DALE. The union asked me.

Senator KENNEDY. Whether he had been?

Mr. DALE. Yes.

Senator KENNEDY. Who asked you?

Mr. DALE. Mr. Hayes, the president of the union.

Senator KENNEDY. What did he do; call you and ask you?

Mr. DALE. He called me and asked me if any commissions had been paid to any members of the IAM.

Senator KENNEDY. You told him that there had been?

Mr. DALE. No; I told him at that time that there had not been.

Senator KENNEDY. Why?

Mr. DALE. Because the commission payments to Swannie had stopped long since, and I thought it was a dead issue and would not do Swannie or the union any good to reopen the question.

Senator KENNEDY. Then what happened? Did Mr. Hayes find out that there had been payments to Swannie?

Mr. DALE. Mr. Hayes apparently knew it when he called me.

Senator KENNEDY. What did he say then when you told him that there were not?

Mr. DALE. I never heard from him again.

Senator KENNEDY. Did you drop the matter?

Mr. DALE. Yes.

Senator KENNEDY. Was disciplinary action taken against Swannie?

Mr. DALE. He had resigned.

Senator KENNEDY. That was the end of it?

Mr. DALE. It was as a result.

Senator KENNEDY. Why did you gather that Hayes knew about it?

Mr. DALE. I assumed later that when I heard from the district attorney of New York within a matter of days following that, that Mr. Hayes knew that it was in other hands, there wasn't any need for him to talk about it anymore.

Senator KENNEDY. Why did he call you and ask you if he already knew about it?

Mr. DALE. I think he wanted the confirmation of it.

Senator CHURCH. Why didn't you tell him the truth?

Mr. DALE. Because I thought it was a dead issue. I had stopped the payments to Swannie.

Senator CHURCH. You thought as a matter of convenience you would just not tell him the truth?

Mr. DALE. No; I thought as a dead issue it wouldn't do anybody any good, either the union or Swannie.

The CHAIRMAN. The committee will stand in recess until 2:15.

(Members of the select committee present at the taking of the recess were Senators McClellan, Kennedy, Ervin, Church, Curtis, and Copehart.)

(Whereupon, at 1 p.m., the select committee recessed, to reconvene in executive session at 2:15 p.m. the same day.)

AFTERNOON SESSION

(The select committee reconvened at 2:15 p.m., Senator John L. McClellan, chairman of the select committee, presiding.)

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at time of convening: Senators McClellan, Kennedy, Goldwater, and Curtis.)

The CHAIRMAN. We will proceed with Mr. Dale.

TESTIMONY OF JOHN D. DALE—Resumed

Mr. MANUEL. I will give you what purports to be two checks, one dated August 14 and another about the same date, in 1956, one from George Elliott to Charles Hardy Co. in the amount of \$8,250 and another of the same date, from Charles Hardy to Pete Zvara in the amount of \$7,769.65, and ask you if you can identify those.

(The documents were handed to the witness.)

Mr. DALE. Do you wish me to repeat the details as I did before?

Mr. MANUEL. Do you recognize those two checks as one payment from Elliott to the Hardy Co., and then a check on Hardy's bank account to Zvara?

Mr. DALE. Yes, sir.

Mr. MANUEL. That was another one of the concealed payments?

Mr. DALE. Yes, sir.

Mr. MANUEL. Was the check to Zvara endorsed by Zvara?

Mr. DALE. Yes, sir; it is.

The CHAIRMAN. Those checks may be made exhibits Nos. 4-A and 4-B.

(Checks referred to were marked "Exhibits Nos. 4-A and 4-B" for reference and will be found in the appendix on pp. 20388-20389.)

Mr. MANUEL. I hand you another check dated October 16, 1956, payable to the Hardy Co., in the amount of \$3,166.21, and another check dated November 14, 1956, in the amount of \$5,000 payable to Pete Zvara from Charles Hardy Co., Inc., and ask you to identify those checks.

Could you tell us what thy are?

The CHAIRMAN. You may examine them.

(The documents were handed to the witness.)

Mr. DALE. Yes; the first is the check from Elliott to Hardy, and the second is the check from Hardy to Peter Zvara, and the second check is endorsed by Peter Zvara.

The CHAIRMAN. They may be made exhibits Nos. 5-A and 5-B.

(Checks referred to were marked "Exhibits Nos. 5-A and 5-B" for reference and will be found in the appendix on pp. 20390-20391.)

Mr. MANUEL. Mr. Dale, I hand you another check payable to Charles Hardy Co., in the amount of \$4,700, from the George Elliott Co., and another check dated February 8, 1957, payable to Pete Zvara, in the amount of \$4,700.50 from Charles Hardy, and ask you to identify those.

The CHAIRMAN. They may be examined.

(The documents were handed to the witness.)

Mr. DALE. The first check is from Elliott to Hardy, the second check Hardy to Peter Zvara, endorsed by Peter Zvara.

Mr. MANUEL. They represent the same sort of payments to Mr. Zvara?

Mr. DALE. Yes, sir.

The CHAIRMAN. They may be made exhibits Nos. 6-A and 6-B.

(Checks referred to were marked "Exhibits Nos. 6-A and 6-B" for reference and will be found in the appendix on pp. 20392-20393.)

Mr. MANUEL. I will give you another pair of checks, one from Elliott to Charles Hardy in the amount of \$3,400, dated April 25, 1957, and another check of the same date, payable to Mr. Zvara, from Charles Hardy Co.

Will you identify those, please?

(The documents were handed to the witness.)

(At this point Senator Church entered the hearing room.)

Mr. DALE. Also George Elliott's check to Hardy and Hardy's check to Peter Zvara, endorsed by Peter Zvara, commissions paid.

The CHAIRMAN. They may be made exhibits Nos 7-A and 7-B.

(Checks referred to were marked "Exhibits Nos. 7-A and 7-B" for reference and will be found in the appendix on pp. 20394-20395.)

Mr. MANUEL. This is a check dated June 10, 1957, in the amount of \$2,900, payable to Charles Hardy Co. from George Elliott, and another check attached thereto dated June 10, 1957, from Charles Hardy to Peter Zvara.

(The documents were handed to the witness.)

Mr. MANUEL. Will you identify those, please?

Mr. DALE. The check from Hardy to Peter Zvara, and the other check, endorsed by Peter Zvara, commissions paid.

The CHAIRMAN. They may be made exhibits Nos. 8-A and 8-B.

(Checks referred to were marked "Exhibits Nos. 8-A and 8-B" for reference and will be found in the appendix on pp. 20396-20397.)

Mr. MANUEL. Another pair of checks, one dated September 10, 1957, payable to the Hardy Co., from Elliott, and another check of the same date, from Charles Hardy Co. to Peter Zvara.

Identify those, please, and describe what they are.

(The documents were handed to the witness.)

Mr. DALE. This is a check from Elliott to Hardy, and then from Hardy to Peter Zvara, endorsed by Peter Zvara, commissions paid.

The CHAIRMAN. They may be made exhibits Nos. 9-A and 9-B.

(Checks referred to were marked "Exhibits Nos. 9-A and 9-B" for reference and will be found in the appendix on pp. 20398-20399.)

Mr. MANUEL. Now, shortly thereafter, that is on the last day of the checks, did Charles Hardy Co. become a little apprehensive about handling these payments to Zvara?

Mr. DALE. Yes, Mr. Mulligan refused to sign any more checks, and said he didn't want to do it any more, and my brother said he would just as soon not do it, too, if Mr. Mulligan objected so strongly.

Mr. MANUEL. How did you make the payments to Zvara, if any, after that change of heart on the part of the Hardy company?

Mr. DALE. I made them through another corporation, called Durisol, D-u-r-i-s-o-l, Inc.

Mr. MANUEL. Is that a New York corporation?

Mr. DALE. A New York corporation.

Mr. MANUEL. Was it dormant at the time?

Mr. DALE. Yes, sir.

Mr. MANUEL. Did you own controlling interest in it?

Mr. DALE. Yes, sir; that is, my wife and I together did.

Mr. MANUEL. Were you an officer in it?

Mr. DALE. Yes.

Mr. MANUEL. What office did you hold?

Mr. DALE. President and treasurer.

Mr. MANUEL. I will give you another pair of checks, one purporting to be a check dated January 21, 1958, in the amount of \$3,500, payable to Durisol, Inc., from George Elliott, and another dated January 22, 1958, payable to Peter Zvara, from John H. Dale, treasurer of Durisol, Inc.

Will you describe those, please?

(The documents were handed to the witness.)

Mr. DALE. A check from Elliott to Durisol, Inc., and a check from Durisol, Inc., to Peter Zvara, endorsed by Peter Zvara, commissions paid.

The CHAIRMAN. They may be made exhibits Nos. 10-A and 10-B.

(Documents referred to were marked "Exhibits Nos. 10-A and 10-B" for reference and will be found in the appendix on pp. 20400-20401.)

Mr. MANUEL. Mr. Dale, I will give you what purports to be three checks attached together, one check from Elliott to Durisol in the amount of \$1,870.37 dated March 31, 1958, and another check of the same date, from Elliott to Durisol for \$1,900; attached thereto another check dated April 3, 1958, from Durisol to Peter Zvara, in the amount of \$2,870.37.

Will you examine those and describe them?

(The documents were handed to the witness.)

Mr. DALE. The check from Elliott to Durisol, check from Elliott to Durisol, and check from Durisol to Peter Zvara, and endorsed by Peter Zvara, commissions paid.

The CHAIRMAN. They may be made exhibits 11-A, 11-B, and 11-C.

(Checks referred to were marked "Exhibits Nos. 11-A, 11-B, and 11-C" for reference and will be found in the appendix on pp. 20402-20404.)

Mr. MANUEL. I will hand you another pair of checks, or what purport to be checks, one from George Elliott to Durisol, in the amount of \$685.33, dated July 29, 1958, and another check dated July 29, 1958, payable to Peter Zvara, in the amount of \$620.68, drawn on the account of Monmouth County National Bank, and the drawer is Durisol, Inc.

Will you identify those, and describe them?

(The documents were handed to the witness.)

Mr. DALE. The check of Elliott to Durisol, and check of Durisol to Peter Zvara, endorsed by Peter Zvara, and these were commissions paid. I believe this was the check where Mr. Zvara said that he had some travel expense, and wanted to have that shown as a reimbursement of some travel expense that he had had over the past few months, but it was part of the commission account.

Mr. MANUEL. It was commission, or represents commission?

Mr. DALE. Yes, and I did not ask for any travel vouchers, which is customary when you reimburse travel expense.

Mr. MANUEL. Was there any significance to your not asking for vouchers?

Mr. DALE. No, because this would have been considered as a part of the overall commission account.

The CHAIRMAN. Those may be made exhibits 12-A and 12-B.

(Checks referred to were marked "Exhibits Nos. 12-A and 12-B" for reference and will be found in the appendix on pp. 20405-20406.)

Senator KENNEDY. May I ask how many more checks there are?

Mr. MANUEL. Two more, Senator.

Mr. Dale, I have two checks and they were obviously written before you were there, and they are 1954, but I give them to you to see if you can identify them.

I have one dated October 31, 1954, to Peter Zvara from George Elliott. Will you examine that and see if you can identify it?

(The document was handed to the witness.)

Mr. DALE. A check of George H. Elliott & Co., the partnership, to Peter Zvara, signed by George H. Elliott, and endorsed by Peter Zvara.

Mr. MANUEL. Do they represent commissions, or do you know?

Mr. DALE. I do not know.

Mr. MANUEL. All right. I will hand you another.

The CHAIRMAN. That check may be made exhibit No. 13. Did you identify it?

Mr. DALE. I identified the origin and the signatures on it, but I do not know what it was for.

Senator CHURCH. For what purpose is it being offered?

Mr. MANUEL. I have just asked him if he could identify it.

Senator CHURCH. He said he couldn't.

Mr. MANUEL. The only significance is to establish that it is endorsed by Mr. Zvara, and from the Elliott Co., and I plan to ask about it later.

Senator CHURCH. I see.

Mr. MANUEL. I am just establishing the authenticity of it.

The CHAIRMAN. It will be made exhibit No. 13.

(Document referred to was marked "Exhibit No. 13" for reference and will be found in the appendix on p. 20407.)

Mr. MANUEL. I have one more dated November 15 from Elliott to Peter Zvara, in the amount of \$1,059.37.

Now I will ask you if you can identify that one.

(The document was handed to the witness.)

Mr. DALE. Again the check of the George H. Elliott Co. partnership, signed by Mr. George Elliott, payable to Peter Zvara, and endorsed by Peter Zvara, and I have no knowledge of what that check was for.

Mr. MANUEL. But you do recognize that as Mr. Zvara's signature on the back?

Mr. DALE. Yes.

Mr. MANUEL. Mr. Dale, do you know the total amount of commissions that were paid to Mr. Zvara from George Elliott Co.?

The CHAIRMAN. That check may be made exhibit No. 14.

(Check referred to was marked "Exhibit No. 14" for reference and will be found in the appendix on p. 20408.)

Mr. DALE. The total amount dating back to 1950, I understand from the tape drawn by the district attorney, ran to approximately \$63,000.

Mr. MANUEL. Were they based on the records of the George Elliott Co., the tape, adding up all of the payments?

Mr. DALE. Yes, sir.

Mr. MANUEL. Now, do you know Mr. Ernest H. Love?

Mr. DALE. I never met him, and I have had no relations with him at all personally.

Mr. MANUEL. Do you know whether or not your company also paid Mr. Love any commissions on the same type of jobs?

Mr. DALE. According to the record, some payments were made.

Mr. MANUEL. Do you know how much?

Mr. DALE. No, sir, I do not.

Mr. MANUEL. Do you know when?

Mr. DALE. They were prior to December 31, 1955, and no further payments were made thereafter.

Mr. MANUEL. When was the company formed?

Mr. DALE. The corporation?

Mr. MANUEL. No; the partnership.

Mr. DALE. The original partnership, I believe, goes back to 1947, and another partnership in 1950, if I am not sure of that date.

Mr. MANUEL. Now, I think in response to certain questions you have described in general the services you performed on the types of agreements you make with these employers, and it is to do time promotion studies and such things, is it, increased efficiency and cut down on overhead?

Mr. DALE. That is correct. Our job is primarily an engineer's determination of the time that it should take to perform a piece of work, employee by employee. We deal in time, and we don't deal in money at all.

Mr. MANUEL. Now, how is it that you happened to be paying these commissions to such people as Mr. Zvara?

Mr. DALE. Mr. Elliott told me that it was necessary to agree to pay the commission to Mr. Zvara, to be assured of getting the engagement of the Electric Auto-Lite Co., and other business.

Mr. MANUEL. Does the union have a veto power over the selection of the industrial relations firm, which gets the contract?

Mr. DALE. As a rule, "veto" may be a little too strong a word. They are ordinarily asked to agree to consent to the use of a certain firm. The firm usually is selected by the company, and again ordinarily, if the union refuses to accept or consent to the selection of the company's firm, then the company rarely ever tries to force it.

Mr. MANUEL. Would the company which has one of these contracts to let out, would it quite often submit more than one name?

Mr. DALE. Oh, yes, as a rule three.

Mr. MANUEL. And then would the union have the election or the power to designate the one who gets the contract?

Mr. DALE. Yes, sir.

Mr. MANUEL. You know that firsthand, do you?

Mr. DALE. Yes.

Mr. MANUEL. Now, exactly where would Mr. Zvara come into the picture? What did he do for you?

Mr. DALE. Mr. Elliott told me that Mr. Zvara told him that if he wanted to get the assignment to do the work for Electric Auto-Lite Co., he would have to agree to pay a 15 percent commission on the engineering service charges.

Mr. MANUEL. Is that 15 percent of the net billing?

Mr. DALE. Of the net billing.

Mr. MANUEL. That was Electric Auto-Lite?

Mr. DALE. Yes, sir.

Mr. MANUEL. Now, what was Mr. Zvara's position in regard to Auto-Lite?

Mr. DALE. Mr. Zvara had no direct connection with the Electric Auto-Lite Co.

Mr. MANUEL. In other words, he was not instrumental in helping to negotiate the collective bargaining agreements?

Mr. DALE. I was told by both Mr. Elliott and Mr. Zvara that he had absolutely nothing to do with the negotiation of any contracts. His sole job in the union, as an official of the union, was cognizance over the Doehler Jarvis Council.

Mr. MANUEL. He was codirector of the Doehler Jarvis Council; wasn't he?

Mr. DALE. I believe that was his title.

Mr. MANUEL. And the Doehler Jarvis Council would be composed of Mr. Gosser, who was vice president, under his jurisdiction out there?

Mr. DALE. I have no first-hand knowledge of that, and I do not know if Mr. Gosser had anything directly to do with it.

Mr. MANUEL. Did you know that Mr. Zvara was codirector of the Doehler Jarvis Council?

Dr. DALE. I have heard that title used, but I do not know it. I thought his letterhead showed "Regional Director, UAW."

Mr. MANUEL. What did Mr. Zvara have to do with Willys-Overland?

Mr. DALE. I have no knowledge of that, and I don't think he had anything directly to do with it.

Mr. MANUEL. How about Jerry Machine Co., of Michigan?

Mr. DALE. I don't know at all in that case.

Senator CURTIS. But did some of these payments have reference to the Willys-Overland, and Jerry Machine Co.?

Mr. DALE. Sir, I would have to check the record. All of those transactions took place when the partnership was running the business, and I never examined the records of the partnership until late last year, or early this year, with the exception of U.S. Navy account, where we performed a large project for the Navy.

Mr. MANUEL. Did Mr. Zvara at any time ever come to you and ask you for some evidence of the net billing, or not just a check, but some underlying data or memo?

Mr. DALE. Yes. It was either at the time of the second or third payment, he asked me if I would give him a little slip showing the billing and the amount of commission accrued, and the amount paid, and the amount still due, as of given cutoff dates.

Mr. MANUEL. Did he state why he wanted that?

Mr. DALE. Yes; I asked him why he wanted it, and he said he had to have the figures to show to the other boys.

Mr. MANUEL. Was that plural, "boys"?

Mr. DALE. Plural.

Mr. MANUEL. Did he elaborate on what he meant by "boys"?

Mr. DALE. No; I asked him again, who, and he refused to tell me, and I never brought the subject up again.

The CHAIRMAN. Did that imply to you that he was dividing that fund, or that commission with someone else?

Mr. DALE. Yes, sir; that was the implication.

The CHAIRMAN. That was the implication that you got from it?

Mr. DALE. Yes, sir.

The CHAIRMAN. When did this occur?

Mr. DALE. I believe it was around July of 1956. It was not at the time of the first payment, but either the second or the third.

Mr. MANUEL. Do you know whether or not he gave any part of these proceeds to Mr. Gosser?

Mr. DALE. I do not.

Mr. MANUEL. Did you ever talk to Mr. Gosser about it?

Mr. DALE. No, sir.

Mr. MANUEL. Were you with the Elliott Co. in December of 1955?

Mr. DALE. Yes, sir.

Mr. MANUEL. Do you recall that sometime in 1956 a little trouble developed down in Auto-Lite, in connection with the servicing of that company?

Mr. DALE. Yes.

Mr. MANUEL. Do you recall it was involved with grievances filed, or some unrest in the plant or opposition to the Elliott Co. doing this work?

Mr. DALE. Yes, the grievances were a byproduct, as I recall the record, a byproduct of an insurgent committee that was trying to get itself elected.

Mr. MANUEL. Was that headed by Stucker, a man named Stucker?

Mr. DALE. The insurgents were headed by Stucker, and the incumbents by Mr. DuPont, I think it was.

Mr. MANUEL. Was it DuPont?

Mr. DALE. Yes.

Mr. MANUEL. Did you check with Mr. Zvara on this trouble?

Mr. DALE. Yes, I asked him what was this all about.

Mr. MANUEL. What did he say?

Mr. DALE. He told me that it was nothing more than a bunch of hotheads trying to get in, and in order to get in they couldn't be for something, they had to be against something.

Mr. MANUEL. Did he say anything that he did in connection with that?

Mr. DALE. No. I asked him for information on it, and was there anything that we could do, and he said, "I don't know. I can't find out anything about it."

Mr. MANUEL. Did he make further inquiry himself?

Mr. DALE. He said that he did.

Mr. MANUEL. Did he say anything about taking that up with Mr. Gosser, that trouble?

Mr. DALE. No. I don't believe that he said it. I rather believe that if there was anything that he could do about it, because after all his interest was as long as the job continued he would get commissions, and it was strictly up to him if there was anything that could be done. However, to be realistic about it, I don't think that the international ever has any direct influence on an insurgent committee's political activities to become elected, or to be elected.

Mr. MANUEL. You testified fully before the grand jury, did you not?

Mr. DALE. Yes, I did.

Mr. MANUEL. I will ask you if you were asked these questions and you made these answers:

Question. Now, did he at the same time he was reporting to you on the local situation, did he also report to you on the situation of the international union in Detroit, the international UAW?

Answer. Yes. That came after Stucker was elected and he was threatening a strike, that he and his committee were trying to urge the membership to strike against the company in order to get rid of the Elliott Co. plan, and I asked Zvara how serious that was, and he said, "Well, it is pretty serious at the local level, but the boys in Detroit weren't going to stand for it. They are on record as trying to help Auto-Lite get out of the local labor difficulties. I wouldn't worry about it."

Question. By "the boys in Detroit," did you know whom he meant, or did you understand whom he meant specifically?

Answer. I understood whom he meant.

Question. Who was that?

Answer. That was Mr. Gosser and his associates at the international level of the UAW.

Were those questions asked, and did you make those answers?

Mr. DALE. I recall them now.

Mr. MANUEL. Does that refresh your memory?

Mr. DALE. Yes, sir; it does.

Mr. MANUEL. Those were truthful answers, were they?

Mr. DALE. Yes. But as to the time the grievances started or the time the strike was called and Stucker was elected, there were several conversations in the nature of "find out what goes on."

(At this point Senators Mundt and Ervin entered the hearing room.)

Mr. MANUEL. Let me read some more:

Question. Now, did he report to you on one occasion of when the local committee was actually called up in Detroit?

Answer. Yes, he did. He told me that the committee, the local committee had been summoned into Detroit by Gosser, and they had spent all day there and went back to Toledo with their tails between their legs, as he put it, and the situation at the plant stood that the international had agreed to sanction the strike but that the responsibility for it and the consequences lay squarely with the local committee.

Do you recall that?

Mr. DALE. Yes, sir.

Mr. MANUEL. That is true?

Mr. DALE. Yes; that is true.

Mr. MANUEL. I will refresh your memory a little more:

Question. Did you ever discuss with Zvara any possible business you might get from Gosser?

Answer. Yes. I told Zvara that we had never done very much business in Detroit, in the Detroit area, that is, of the industrial engineering nature, and I would like very much to get some leads up there as to where it was necessary for companies to do this type of work, and Zvara said that he would speak to Gosser and find out if there were any such places.

Do you recall that?

Mr. DALE. I had forgotten whether he said he would speak to Gosser, or whether that was the implication.

Mr. MANUEL (reading) :

Question. Did Zvara indicate to you at any time that he would talk to Gosser and help straighten out that trouble with the union?

Answer. That was implicit, specifically.

Was that true?

Mr. DALE. Yes.

Mr. MANUEL (reading) :

Question. I don't mean directly, but did he give any indication that you can recall that he would get in touch with Gosser to help straighten out the situation with the union?

Answer. Yes, he said, "I know Gosser very well, and I can find out for you just what the situation is, and what can be done about it."

Is that true?

Mr. DALE. Yes.

Mr. MANUEL. Do you understand that the international, obviously through Mr. Gosser had sent the boys in the local back to Toledo with their tails between their legs? Do you know what that meant?

Mr. DALE. It is a slang expression for putting the entire responsibility on them if any strike was called, and to refuse to give the backing of the international union to any local strike.

Mr. MANUEL. In other words, put down the local opposition to it so you could complete the contract?

Mr. DALE. To get the work completed, because inherent and behind all this was the fundamental agreement between the UAW at Mr. Gosser's level, and the Electric Auto-Lite Co., in which we had no part, where the program undertaken jointly by them was dedicated to maintain the employment of some 4,000 people in Toledo.

Mr. MANUEL. Then is it true that the services performed by Zvara in exchange for his commission are these: The union has a veto power over the contract and he could designate your company as the firm to get the contract, we will say, with Auto-Lite?

Mr. DALE. Not Zvara.

Mr. MANUEL. Someone else?

Mr. DALE. It must have been some else.

Mr. MANUEL. You don't think Zvara was authorized to do that on his own?

Mr. DALE. No.

Mr. MANUEL. Who do you think was authorized?

Mr. DALE. It was probably either the head of the local union, who at that time was Mr. DuPont, or it was Mr. Gosser, or both.

Mr. MANUEL. Do you know which one?

Mr. DALE. I do not.

Mr. MANUEL. Then after the contract was entered into, the further service was to insure industrial peace throughout the agreement so you could complete it on time and with a minimum of opposition; is that right?

(At this point Senator Capehart withdrew from the hearing room.)

Mr. DALE. Well, that would be implicit in the company undertaking the project at all with Mr. Gosser.

Mr. MANUEL. Did you ever talk to Mr. Gosser?

Mr. DALE. No, sir.

Mr. MANUEL. Did you ever try to see him?

Mr. DALE. Yes, sir.

Mr. MANUEL. In what connection?

Mr. DALE. I wrote him at the conclusion of the job, and I told him in substance that in spite of the extraordinary difficulties that everyone had gone through on that job, I thought that from beginning to end there was a demonstration of statesmanship on the part of the union and that some day I would like to meet him.

Mr. MANUEL. Did you?

Mr. DALE. No; I did not.

Senator CURTIS. Did you get a reply?

Mr. DALE. No reply.

Mr. MANUEL. Did you ever ask Mr. Zvara if he was giving any of that money to Gosser?

Mr. DALE. Not specifically.

Mr. MANUEL. Implicitly?

Mr. DALE. I asked him who was getting it and he refused to tell me.

Mr. MANUEL. That is all.

Senator KENNEDY. When you say you didn't implicitly, what do you mean by that? Did he say he was giving it to someone but wouldn't tell you who it was?

Mr. DALE. When I asked him why he wanted the slip of paper with the figures on it as to how the commission was calculated, he said, "I have to show it to the other boys. The other boys want to see it."

Senator KENNEDY. You didn't know who the other boys were?

Mr. DALE. No. I asked him then and he wouldn't tell me.

Senator KENNEDY. So that you have no idea other than what you may surmise, yourself; you have no external evidence as to who the people might be?

Mr. DALE. None whatever.

Senator KENNEDY. When you wrote Mr. Gosser with regard to his statesmanship, were you under the impression that he had received money?

Mr. DALE. No, sir.

The CHAIRMAN. Let me ask you: Did you ask him the question if Gosser was getting part of it?

Mr. DALE. I didn't ask him.

The CHAIRMAN. You didn't ask him specifically; that is what you meant?

Mr. DALE. That is right, sir.

The CHAIRMAN. But you asked generally who might be getting it?

Mr. DALE. Who are the "boys."

The CHAIRMAN. Who are the boys that were getting the money?

Mr. DALE. Right.

Senator KENNEDY. He said, "I am not going to tell you."

Mr. DALE. He smiled and shook his head. I don't think at the time he opened his mouth and said, "I don't believe I am going to tell you."

Mr. MANUEL. Let me ask you: Do you believe that Mr. Zvara kept all of this money by himself?

The CHAIRMAN. I don't think your belief would be controlling, but you can state whether you have an opinion, I suppose.

Mr. DALE. I have no knowledge of whether he did in fact pass it on, whether he was kidding me about other boys or whether he was truthful about other boys. I have absolutely no knowledge or information on anybody to whom he may have given it.

Senator CHURCH. You said you had no knowledge as to whether or not Gosser got this money. Do you have any knowledge as to whether or not Gosser, in fact, intervened at this company to arrange things so that you could complete your contract?

Mr. DALE. Mr. Gosser, all through the course of our assignment with Electric Auto-Lite, and prior to it with the company, and presumably afterward, all that time he had made some kind of an agreement to help save that company for Toledo, and acting within the framework of that decision I believe that there must have been more or less continuous contact between Mr. Gosser and the executives.

Senator CHURCH. Did you or your company have any direct contact or dealings with Mr. Gosser in connection with the commission that was paid or in connection with the services that were to be rendered? I want to know the basis upon which you say—you said in your testimony that you had never seen Gosser in your life.

Mr. DALE. That is right.

Senator CHURCH. And you had not contacted him, you had not had any exchanges with him. I just want to know what basis there is, if any, to say that Gosser was connected with this arrangement.

Mr. DALE. Mr. Elliott told me at the time he disclosed the obligation to pay this commission that Mr. Gosser and the president of Auto-Lite had reached a basic agreement to save those plants, to save the employment, and that—

Senator CHURCH. That is one thing. But when you say that Mr. Gosser and the president of Auto-Lite had reached an agreement to save the plants, Mr. Gosser, as the UAW official for the workers at the plant, would have every legitimate reason to want to save the plant and save the employment in any dealings that he might have with the employer.

That is one thing. But this transaction between your service company and Mr. Zvara, whereby you remitted to him a 15 percent cut for having presumably procured for you the business, that is another transaction.

What I want to know is what knowledge do you have of facts that you can put before this committee that would connect Gosser with the latter transaction?

Mr. DALE. Only—I do not know of any way that he can be connected, myself, because I came into this scene after the agreements, if any, involving Mr. Gosser were made by Mr. Elliott, and I do not even know if Mr. Elliott personally knew Mr. Gosser.

Mr. MANUEL. I have one more question, Mr. Chairman.

Do you know where Mr. Elliott is now?

Mr. DALE. I believe he is in Canada.

Mr. MANUEL. He has been for some time?

Mr. DALE. Yes. He is president of the Ontario Portland Cement Co.

Senator CHURCH. I have one other question, Mr. Chairman.

When you made these commission payments through the Hardy Co. or through the Durisol Co. to Mr. Zvara, how did you carry them on the books of the Elliott Co.?

Mr. DALE. Sales commissions.

Senator CHURCH. Just as sales commissions, presumably to Durosil or to Hardy as the case might be?

Mr. DALE. Yes. That was the transaction as presented to me by Mr. Elliott, and I simply continued what he had started doing; by definition, that is.

Senator CURTIS. Mr. Chairman, I think that is all we have over here to inquire of Mr. Dale about. I would say as one Senator, I appreciate his appearance here today. Unless there is something else, we are ready for the next witness.

The CHAIRMAN. Do you know what happened to Mr. Zvara with respect to his union connections after these facts were disclosed before the grand jury?

Mr. DALE. Before what, sir?

The CHAIRMAN. Were these facts disclosed before the grand jury that you testified to here?

Mr. DALE. Yes, sir.

The CHAIRMAN. When? What date? Just approximately.

Mr. DALE. Either late February or early March.

Senator CURTIS. Of this year?

Mr. DALE. Of this year.

The CHAIRMAN. Do you know what happened to Mr. Zvara after that with respect to his union connections?

Mr. DALE. I understand he was dismissed from the union.

The CHAIRMAN. As soon as this information that you have given came to light?

Mr. DALE. One of the assistant district attorney's told me that.

The CHAIRMAN. I mean it was after this came to light, after you had testified before the grand jury?

Mr. DALE. I think that he was dismissed actually a short time prior to it. But it was after the information became known. It was in the Toledo newspapers.

The CHAIRMAN. As soon as it was known what you have disclosed here. You disclosed, I assume, substantially the same information to the grand jury as you have disclosed here. Is that correct?

Mr. DALE. That is correct. Actually, I read it in the Toledo paper.

The CHAIRMAN. That he had been promptly dealt with by the union?

Mr. DALE. That is right.

The CHAIRMAN. Is there anything further?

If not, you may stand aside for the present.

Call the next witness.

Does anyone want this witness any further for these hearings?

So far as I know, you may be excused from further attendance, except I will keep you under subpoena subject to being recalled at such time and place as the committee may desire to hear further testimony from you. Will you acknowledge that recognizance?

Mr. DALE. I do, sir.

The CHAIRMAN. And you will appear upon notice without being resubpoenaed?

Mr. DALE. Yes, sir.

The CHAIRMAN. You may stand aside.

Senator KENNEDY. Mr. Chairman, we have been trying to get hold of Mr. Vernon Johnson to see if he could appear today. A wire was sent out subpoenaing him, asking him to be here at 10:30 this morning. He has not shown up.

We have a message that he is expected to be back in about 2½ hours, at which time we will place the call again.

The CHAIRMAN. Was he subpoenaed?

Mr. KENNEDY. He was contacted on the telephone and told he had to be in here. At that time he said he was employed through Senator Mundt's office, and that in view of that fact, that he was employed through Senator Mundt's office, Mr. O'Donnell rightfully felt that it wasn't necessary to subpoena him, because he said he would come here.

So he agreed to come. The telegram was sent over your name, confirming the telephone conversation for him to be here this morning, and he did not show up.

Senator GOLDWATER. Was he subpoenaed?

Mr. KENNEDY. No, because he said he was associated with Senator Mundt. I didn't feel it was necessary.

Senator MUNDT. He said that he was working for me?

Mr. KENNEDY. He said his finances were made through your office, that is where he was receiving his money. He refused to say exactly where the money was coming from, but he said all the arrangements were made through your office. That is why he was not subpoenaed, because it was felt that because of that association, he would come when he said he would.

The CHAIRMAN. When you reach him by telephone, tell him the Chair directed that he be here and to come promptly. If he doesn't come, serve a subpoena on him. We will go through that trouble after notifying him.

Mr. KENNEDY. There was this telegram from you, Senator, notifying him to be here.

The CHAIRMAN. I understand. But I want to be sure that if he forces us to do it, we will subpoena him. Here is the wire:

Re your telegram of August 7, 2:45 p.m. last, circumstances have arisen whereby I am unable to be at room 3302, Senate Office Building, Washington, on instant date. Senator Goldwater has been advised.

Is he refusing to come?

Senator GOLDWATER. When I got back to my office today, there was a message there that both of his children are sick. That is the extent of my knowledge.

The CHAIRMAN. Get him on the line and let me talk to him.

Proceed.

Senator CURTIS. Mr. Peter Zvara.

The CHAIRMAN. Be sworn, please.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. ZVARA. I do.

TESTIMONY OF PETER ZVARA, ACCOMPANIED BY COUNSEL, MARCUS L. FRIEDMAN

The CHAIRMAN. All right, Senator Curtis.

Senator CURTIS. Would you state your name, please?

Mr. ZVARA. My name is Peter Zvara.

Senator CURTIS. Where do you live?

Mr. ZVARA. 6808 Rosewood Place, Sylvania, Ohio.

Senator CURTIS. Do you have counsel with you?

Mr. ZVARA. Yes, sir.

Senator CURTIS. Mr. Counsel, will you identify yourself?

Mr. FRIEDMAN. My name is Marcus L. Friedman. I practice law in the city of Toledo, Lucas County, Ohio, 301 Huron Building.

Senator CURTIS. Mr. Zvara, what is your present work or occupation?

Mr. FRIEDMAN. May I make a statement at this time?

The CHAIRMAN. You may.

Mr. FRIEDMAN. I would like to say to the members of the Senate sitting here that I have advised my client not to testify, based on the fact that there is a possible indictment against him in the State of New York. There was a grand jury proceeding that had been dismissed with no indictment presentment made, but on June 22 there appeared in our local newspaper, the Toledo Blade, a statement made out of Mr. Hogan's office. If I may, I would like to quote.

The March session of the grand jury which heard Mr. Gosser has been discharged with no action taken against Mr. Zvara. However, a spokesman for Mr. Hogan said today the case has not been closed.

In view of this, we have a right to assume that this matter is now pending for investigation before the New York grand jury and the case could be reopened. Based on that, I have advised my client not to answer any questions.

The CHAIRMAN. Unless he is under indictment or actually under arrest, awaiting the grand jury action on a specific charge, the Chair will not sustain that objection to his testifying.

As I understand it, the grand jury in this instance has already examined and returned no indictment.

Mr. FRIEDMAN. He did not appear before the grand jury.

The CHAIRMAN. I said they had examined into this matter in which he was involved. He was one of the parties being investigated by the grand jury, as I understand it.

Mr. FRIEDMAN. That is correct.

The CHAIRMAN. He was not indicted?

Mr. FRIEDMAN. No, sir.

The CHAIRMAN. Subsequently, the district attorney has said that that did not necessarily close the case?

Mr. FRIEDMAN. That is correct.

The CHAIRMAN. In other words, he might reopen it, and he might not. There is still some investigation perhaps in progress?

Mr. FRIEDMAN. That is correct.

The CHAIRMAN. I don't think that is sufficient to sustain the objection to his testifying. Where one has been indicted, where one is under indictment, with an indictment actually pending, we have not required him to testify. But where they come in and say, "We are under investigation," we have not honored that request that they not be required to answer questions.

Am I correct? Is there any objection to the Chair's position? I think that is consistent with what we have done before.

The objection to his testifying will be overruled.

Proceed, Senator Curtis.

Senator CURTIS. What is your work or occupation?

Mr. ZVARA. I invoke the privilege under the U.S. Constitution not to be a witness against myself, Mr. Chairman.

Senator CURTIS. Do you feel that to truthfully tell this committee what your work or occupation is would cause you to be a witness against yourself?

Mr. ZVARA. Well, Mr. Chairman, I invoke the privilege under the U.S. Constitution not to be a witness against myself.

Senator CURTIS. Are you still on the payroll of the UAW, the international, any region, any local, or any constituent unit whatever directly or indirectly?

Mr. ZVARA. Mr. Chairman, I invoke the privilege under the U.S. Constitution not to be a witness against myself.

Senator CURTIS. Are you drawing pay now from anyone?

Mr. ZVARA. Mr. Chairman, I invoke the privilege under the U.S. Constitution not to be a witness against myself.

Senator CURTIS. Mr. Zvara, did you resign your membership from the UAW?

Mr. ZVARA. Mr. Chairman, I invoke the privilege under the U.S. Constitution not to be a witness against myself.

Senator CURTIS. Were charges filed against you under article 30 of the UAW constitution?

Mr. ZVARA. I invoke the privilege under the U.S. Constitution not to be a witness against myself.

Senator CURTIS. Are you familiar with the constitution? Are you familiar with the constitution of the International Union of UAW?

Mr. ZVARA. Mr. Chairman, I invoke the privilege under the U.S. Constitution not to be a witness against myself.

Senator CURTIS. Was there a trial held by the executive board concerning your case?

Mr. ZVARA. I invoke the privilege under the U.S. Constitution not to be a witness against myself.

Senator CURTIS. I would like to call your attention to section 3 under article 30 of what purports to be the constitution of the international UAW, dated April 1957, which is as follows:

Upon charges being submitted, it is mandatory that a trial be held unless the charges are withdrawn by the accuser.

Did you ever have any such trial?

Mr. ZVARA. Mr. Chairman, I invoke the privilege under the U.S. Constitution not to be a witness against myself.

Senator CURTIS. How long have you lived in Ohio?

Mr. ZVARA. I invoke the privilege under the U.S. Constitution not to be a witness against myself.

Senator CURTIS. How long have you known Richard Gosser?

Mr. ZVARA. I invoke the privilege under the U.S. Constitution not to be a witness against myself.

Senator CURTIS. Did you ever hold any union position, salaried position, that in your work you were in contact with Mr. Gosser?

Mr. ZVARA. I invoke the privilege under the Constitution not to be a witness against myself.

Senator CURTIS. Mr. Zvara, it has been testified to here that you received some \$63,000 in commissions from the Elliott Co. Is that true?

Mr. ZVARA. I invoke the privilege under the Constitution not to be a witness against myself.

Senator CURTIS. Did you share that money with anyone?

Mr. ZVARA. I invoke the privilege under the Constitution not to be a witness against myself.

Senator CURTIS. Mr. Dale also testified that in conversation with you, you referred to having to take something up with the boys, meaning those who knew about your arrangement and were sharing it. Who were "the boys"?

Mr. ZVARA. I invoke the privilege under the Constitution not to be a witness against myself.

Senator CURTIS. Did you ever make a contribution to the flower fund?

Mr. ZVARA. I invoke the privilege under the U.S. Constitution not to be a witness against myself.

(The witness conferred with his counsel.)

Senator CURTIS. You do know Mr. Gosser, don't you?

Mr. ZVARA. I invoke the privilege under the U.S. Constitution not to be a witness against myself.

Senator CURTIS. Mr. Zvara, you did get the \$63,000, didn't you?

Mr. ZVARA. Mr. Chairman, I invoke the privilege under the U.S. Constitution not to be a witness against myself.

Senator CURTIS. What service did you render to the Elliott Co. for this money?

Mr. ZVARA. I invoke the privilege under the U.S. Constitution not to be a witness against myself.

Senator CURTIS. What other individuals, if anyone, assisted you in rendering service to the Elliott Co. that would justify them in paying you \$63,000?

Mr. ZVARA. I invoke the privilege under the U.S. Constitution not to be a witness against myself.

Senator CURTIS. I would like to say to the counsel, I do not want you to divulge anything that you should not as lawyer for the witness, but if you are privileged, I would like to know if you can tell me whether or not Mr. Zvara resigned from his membership in the union or whether or not a trial was held and he was discharged.

Mr. FRIEDMAN. If I understand you, Senator Curtis, you are asking me to tell you what he did; is that correct?

Senator CURTIS. If you will.

Mr. FRIEDMAN. I would personally have no objection to doing it, but with this one exception in mind, that I may open the door which would lead into questions which may turn over to the grand jury or the investigators of the State of New York the information they so desired, which may or may not reopen the case there.

If I may continue for a moment, I notice that Mr. Joe Rauh, I think that is his name, passed out a pamphlet earlier this morning, as to what the UAW did as far as Mr. Zvara is concerned. I read it very hastily over somebody else's shoulder. I think that would probably give the committee as much information as I possibly could, and maybe slightly more.

Senator CURTIS. I shall not press you, because I respect the attorney-client relation. I didn't know but what maybe some other public disclosure had been made that would let you be free to answer.

Senator MUNDT. I will say to counsel that while we respect your right to protect your client in every way and preserve the client-lawyer relationship, we are seeking something a little bit more valid in the way of information rather than a pamphlet passed out in the hallway by Mr. Rauh.

Senator CURTIS. Will the Senator yield? It was passed out in here.

Senator MUNDT. Wherever it was passed out.

Senator CURTIS. I don't know. It was brought over here and handed to me while I was in executive session.

Senator GOLDWATER. Mr. Chairman, if I might suggest to Senator Curtis, the administrative letter that counsel refers to does state on page 4 that Mr. Zvara had written a letter to Mr. Reuther, I presume,

Please consider this as my notice to you that I have, as of the date of this letter, voluntarily terminated my membership in the Toledo Doehler Jarvis Local 1058, UAW.

Further on down, about the fourth paragraph, it says that—

Since his voluntary termination of membership—

and so forth. It is quite obvious from the UAW standpoint that he had voluntarily withdrawn. In view of the fact that he refused, as I understand it, to appear before the grand jury, has the Senator any evidence of the UAW or any of its officers or personnel having made any suggestions or offers to Mr. Zvara to do this?

Senator CURTIS. I do not know what the UAW has done. I am trying to find out.

Senator GOLDWATER. Was he paid to resign? Is he receiving any help, as many of the UAW men are doing in jail, Gunaca, for instance? Is this man receiving pay while retiring?

Senator CURTIS. Are you receiving any pay now from the union?

Mr. ZVARA. I invoke the privilege under the Constitution not to be a witness against myself.

Senator CURTIS. Are any union sources sending you any union funds, directly or indirectly?

Mr. ZVARA. I invoke the privilege under the Constitution not to be a witness against myself.

Senator MUNDT. Specifically to ask the question that Senator Goldwater asked, Were you paid any financial compensation by the UAW in order to bring about your letter of resignation?

(At this point Senator Goldwater withdrew from the hearing room.)

Mr. ZVARA. Mr. Chairman, I invoke the privilege under the Constitution not to be a witness against myself.

Senator MUNDT. Did you share any of this \$63,000 commission with Mr. Richard Gosser?

Mr. ZVARA. I invoke the privilege under the Constitution not to be a witness against myself.

Senator ERVIN. Since reference has been made to this document that was evidently spread around here, and I was handed a copy as I walked into the room, did you have a consultation with Mr. Walter Reuther on April 7, in which you admitted that you had received this money from the Elliott Co. as an alleged commission for procuring contracts for them?

Mr. ZVARA. Mr. Chairman, I invoke the privilege under the Constitution not to be a witness against myself.

Senator ERVIN. Were you notified to appear before a trial committee set up by the UAW to stand trial on two charges, one that you had received money from the Elliott Co. in violation of the ethical regulations of the UAW, and also that you had refused a request from the UAW to voluntarily appear as a witness before this grand jury investigation in New York?

Mr. ZVARA. Mr. Chairman, I invoke the privilege under the Constitution not to be a witness against myself.

(At this point Senator Goldwater entered the hearing room.)

Senator ERVIN. After receiving that notification to appear before the trial committee for trial on those charges, did you write the president of the UAW a letter in which you said that you would not appear, and that you were resigning your membership in the UAW?

Mr. ZVARA. Mr. Chairman, I invoke the privilege under the Constitution not to be a witness against myself.

The CHAIRMAN. Can't you talk about these things without possible self-incrimination?

Mr. ZVARA. Mr. Chairman, I invoke the privilege under the Constitution not to be a witness against myself.

The CHAIRMAN. Do you honestly believe that if you answered these questions truthfully, a truthful answer might tend to incriminate you?

Mr. ZVARA. Mr. Chairman, I invoke the privilege under the Constitution of the United States.

The CHAIRMAN. I can order you to answer that. I am giving you the opportunity to make a record.

Do you want to say that you cannot answer that question, and I will order you to answer it, whether you honestly believe that a truthful answer might tend to incriminate you?

Mr. ZVARA. Mr. Chairman, I invoke the privilege under the Constitution not to be a witness against myself.

The CHAIRMAN. I will leave it up to those of you conducting this examination.

Senator MUNDT. I suggest that you order him to do it, Mr. Chairman.

The CHAIRMAN. I said I could order him to do it.

Senator MUNDT. I suggest you do that.

The CHAIRMAN. I suggest the proper question be asked.

Mr. MANUEL. Mr. Zvara, did you get any amount of money from the George Elliott Co.?

Mr. ZVARA. I invoke the privilege of the Constitution not to be a witness against myself.

Mr. MANUEL. If you got any, did you report it on your income tax returns?

Mr. ZVARA. Mr. Chairman, I invoke the privilege under the Constitution not to be a witness against myself.

Mr. MANUEL. How can reporting money on your income tax returns incriminate you?

Mr. ZVARA. Mr. Chairman, I invoke the privilege under the U.S. Constitution not to be a witness against myself.

Senator CURTIS. Did you ask Mr. Dale to prepare a memorandum or some writing to indicate what the net billings were so that it would show that the commissions were properly figured and that you needed that to show to the rest of the boys?

Mr. ZVARA. Mr. Chairman, I invoke the privilege under the U.S. Constitution not to be a witness against myself.

Mr. MANUEL. Mr. Zvara, at one time, I think your attorney will confirm this, you had sent word to me that you would talk very freely, and then sometime thereafter I got a telegram from your attorney saying you would not.

I think your attorney will confirm that.

In the interim, were you in communication with Mr. Joseph Rauh?

Mr. ZVARA. Mr. Chairman, I invoke the privilege of the Constitution.

Mr. MANUEL. Were you told by Mr. Joseph Rauh to invoke the fifth?

Mr. ZVARA. I invoke the privilege under the U.S. Constitution not to be a witness against myself.

Mr. MANUEL. Were you told by Mr. Gosser to invoke the fifth?

Mr. ZVARA. I invoke the privilege under the Constitution.

Mr. MANUEL. Were you told by Mr. Reuther to invoke the fifth?

Mr. ZVARA. I invoke the privilege.

Mr. MANUEL. Were you advised by anyone other than your own attorney to take the fifth?

Mr. ZVARA. I invoke the privilege under the Constitution.

Senator KENNEDY. Have you any evidence that Mr. Rauh informed this witness, or Mr. Reuther?

Mr. MANUEL. No, sir. I am asking him.

Senator KENNEDY. Is this witness going to take the fifth amendment with regard to every question asked today?

Mr. FRIEDMAN. The answer to that is yes, and based strictly on the fact that there is a possible reopening in New York of a criminal matter in the State of New York, under Mr. Hogan.

Senator KENNEDY. You are not going to take the fifth amendment. Would you like to answer whether you, as an attorney, had any conversations with Mr. Reuther or Mr. Rauh, which would lead to instructing this witness to take the fifth amendment?

Senator MUNDT. If the lawyer is going to testify, Mr. Chairman, I suggest he be sworn.

Mr. FRIEDMAN. As a lawyer I have a right to make a statement in behalf of my client without being under oath, because I have my professional word, Senator.

Senator MUNDT. If you are going to answer questions, you should be under oath.

The CHAIRMAN. If you want to have the witness under oath, we will put him under oath.

Senator MUNDT. If he is going to be a witness, that is one thing.

The CHAIRMAN. His answer will not be sworn testimony unless he is under oath. Frequently the members of the committee ask counsel something for guidance.

Senator KENNEDY. Have you objection to being sworn?

Mr. FRIEDMAN. None.

The CHAIRMAN. I would simply say that any question or answer like that would not be testimony. It would just be conversational information.

Mr. FRIEDMAN. A statement that I made of my own personal knowledge.

The CHAIRMAN. What I meant is that it would not be sworn testimony. You might ask counsel something to get information for guidance, but it wouldn't be evidence unless it is sworn to here.

Mr. FRIEDMAN. That is correct.

Senator KENNEDY. The implication of the question by Mr. Manuel, I think, is quite serious—that this witness, in a sense, after agreeing to testify, was tampered with. We could use a stronger word. The implication is that perhaps Mr. Rauh or perhaps Mr. Reuther got in touch with this witness and got him to agree not to testify before this committee.

I would like to know if there is any evidence behind that which would lead that question to be asked, or is it searching for information?

Mr. MANUEL. It is for information.

Senator KENNEDY. In other words, you have no information?

Mr. MANUEL. I am asking for information only.

Senator KENNEDY. This witness was asked in regard to Mr. Gosser. If he is going to take the fifth amendment with regard to any question, which I think is most unfortunate, because I think he would be very valuable as a witness, I do not think we should draw any assumptions, then. If there is no information behind any of these questions—for example, questions were asked with regard to whether he is still being compensated by the UAW. Unless we know that information, unless we have some information which would lead us to believe that he shared the money with Mr. Gosser, unless we had information which would lead us to believe that Mr. Rauh or Mr. Reuther talked to him, merely because he takes the fifth amendment, we should not assume that the question is based upon information.

Is that correct?

Mr. MANUEL. I draw no inference at all, Senator.

The CHAIRMAN. There was some testimony here that Mr. Zvara, by implication, at least, said he had to show figures, and so forth, to some of the other boys, implying, maybe, that he had to divide the money with them. On that testimony a question might be asked him if he did get the money and was it divided. That would not be out of line.

Senator CHURCH. Mr. Chairman?

The CHAIRMAN. Senator Church.

Senator CHURCH. Although I agree with the statement that the chairman just made, I want to concur in what the Senator from Massachusetts just said in respect to the questions which are thus far utterly without foundation.

The CHAIRMAN. These questions are purely fishing questions, to find out if this witness will—

Senator CHURCH. When you ask questions like "Did Mr. Reuther contact you or make some arrangement with you that induced you not to testify after you said you would testify?" and then that is followed with the invocation of the fifth amendment, the written record for anyone that peruses it leaves an implication that this witness was reluctant to say "No," and invoked the fifth amendment.

If there is any basis at all for believing that Mr. Reuther or Mr. Rauh or any other high official of the UAW did in fact move in to silence this witness, then I would have no objection whatever to putting these questions, followed by the fifth amendment.

But for just an unwarranted fishing expedition that may not be calculated but which would nonetheless leave such an impression on the written record, I think it has some effect. I concur in what the Senator from Massachusetts said.

I also would like to suggest, Mr. Chairman, that inasmuch as certain portions from these two documents which purport to be the explanation given by the UAW as to what action it took against this witness have been extracted and read into the record, and the attorney for this witness has had occasion to refer to these documents heretofore, that the text of both documents, the full text, should appropriately be included in the record.

The CHAIRMAN. I would not include the document in the record, I don't think that should be done, but it could be made an exhibit for reference.

Senator CURTIS. Mr. Chairman, in that connection, if that is done, may we have the understanding that if this document that the attorney said Mr. Rauh was handing out in the corridor, and somebody came in here, but it is not sworn to, if it becomes an exhibit, then I want to ask at a later time to have the man who signed this, Mr. Walter P. Reuther, here, and sworn under oath that he may be cross-examined about it.

Senator ERVIN. I would suggest you do that rather than put this into the record.

The CHAIRMAN. If you start spreading things into the record without being sworn to, you will have a cluttered-up record.

Senator CURTIS. I have no objection, if he is here for examination.

Senator CHURCH wants this in, and I have a right to cross-examine.

Senator CHURCH. The point is that inasmuch as certain portions have been extracted and read by the members of the committee, I think it would be helpful to the committee to have the full text of the document as an exhibit for reference purposes.

Senator ERVIN. I made reference to it in propounding my questions to the witness, but I didn't read anything into the record. I simply stated the substance.

Senator CHURCH. The gentleman from Arizona did.

Senator ERVIN. That is right.

But I doubt very seriously whether this should be placed into the record or made an exhibit, because it is unsworn testimony. I think if anybody is interested in it, they ought to summon Mr. Reuther or anybody else who has personal knowledge of these things and have them testify. They should be asked the questions.

Frankly, I can't see how it could possibly incriminate this witness if this witness would admit that he had had notice to appear before a trial committee and has not appeared. I can't see how that would incriminate him, but, it might.

I believe they do say that in the law there is such a thing of admission by silence. When you have an opportunity to speak, a man would naturally speak if he were innocent. But if he fails to do so, that might be an indication of his being guilty.

The CHAIRMAN. Gentlemen, this would not be sworn evidence, this document. You can pick up a newspaper and read from it and be asked a question which asks, "Did you know that, or do you believe

that is true?" whatever you want to ask about it, in order to make a predicate for a question. You can do that, but it is not evidence. What is in this document is not evidence until it is sworn to.

I would suggest a better procedure would be to reserve the document, ask questions from it, if anyone wants to, and then we will subpoena Mr. Reuther and have him here to be questioned about, if anyone wants him to appear. I think that would be a better way.

Senator GOLDWATER. Mr. Chairman, just to keep the record straight, I have not read the whole thing, but—

The CHAIRMAN. You can read it and ask him about it, but your question is not testimony. That is the difference.

Senator GOLDWATER. I agree with you 100 percent. But instead of boring the committee with reading the whole thing, I wanted to try to get at some basis of establishing a question that I happen to think a logical one to cover.

The constitution of the international union says in section 3, article 30, page 66:

Upon charges being submitted, it is mandatory that a trial be held, unless the charges are withdrawn by the accusers.

In other words, this man has to be tried, according to this, according to my understanding of it. He does not have the right to resign, but he did resign.

Now he has been taking the fifth amendment here, and I appreciate the reason that he is taking it. He said it might be so that he could be indicted in New York for testimony that he might give down here.

But at the same time, he refused to appear before a grand jury in the city and county of New York.

At a subsequent time after charges were registered against him in the union he resigned, and he was allowed to resign.

The situation to me, to be perfectly honest with you, has much of the earmarks of a possible payoff, as many of the fishing expeditions we went on with other witnesses in other cases. That is my whole purpose in asking. It is not to embarrass anybody who has written this circular.

I may be in complete ignorance as to the reading of the constitution, but as I read it, that is what it says. I can only go by my understanding of it.

Senator ERVIN. Another observation I started to make was that there is no provision that if a man is a member of a union or any other organization of that type, a private organization, if he is summoned for trial, there is no way he can be arrested and brought there if he will not go. That is the difference between trials of that nature and trials in lodges and charges and trials in churches, even. That is the difference between that type of trial and in a court.

While that provision of the constitution is certainly there, which says it is mandatory, I doubt the advisability of any organization undertaking to try a man in absentia.

The CHAIRMAN. It certainly is not evidence.

Proceed and question from it, and state that it has this or that, and ask anything you want to about it.

Senator ERVIN. I would like to say this, in view of what I have said, that certainly we would have to agree with the Senator from Massachusetts that so far there is no evidence of any contact between Mr.

Zvara and, on the other hand by anybody else with reference to these matters concerning which he has taken the fifth amendment.

The CHAIRMAN. Counsel in questioning said that he did not have information to that effect.

Is that correct?

Mr. MANUEL. That is right.

The CHAIRMAN. That is why I said that these questions were nothing but a fishing inquiry to try to ascertain whether this witness would talk or whether he would answer.

In other words, if you would be inclined to say "No," of course, you can do that.

Mr. FRIEDMAN. May I confer with my client, Mr. Chairman?

The CHAIRMAN. Yes.

Senator ERVIN. Before you do that, I appreciate that counsel is presented by a witness that is in a situation of which he is not cooperative.

That is all.

The CHAIRMAN. You may confer.

(The witness conferred with his counsel.)

Mr. FRIEDMAN. Thank you.

The CHAIRMAN. Senator Mundt.

Senator MUNDT. Mr. Zvara—

Senator CURTIS. Senator Mundt, when you raised the question of the counsel being sworn, he was on the verge of making a statement. I don't believe he finished.

Senator MUNDT. I don't think he was sworn. I don't think he wanted to be a witness. I don't believe Senator Kennedy wanted him to be a witness.

The CHAIRMAN. I thought he was asking for information. If you want the counsel's statement, any statement, from him to be evidence, he has to be sworn.

Mr. FRIEDMAN. As I understand, Senator Kennedy asked me if I would be willing to be sworn, and I said "Yes."

The CHAIRMAN. Does any member want him sworn or want his statement under oath? Otherwise, you give a statement for information.

Proceed.

Senator MUNDT. My question is to the witness.

The CHAIRMAN. I was talking about the attorney.

Senator MUNDT. There has been a lot of talk around here as to whether or not you were summoned before the grand jury and refused to testify. As I understood it, that is what occurred. I am not a lawyer. You and I meet on common ground, unless you are a lawyer. I would assume that if you were summoned to a grand jury, you would have to go.

But that is good information for us laymen to have. I would like to find out: Is it true that you were summoned before the grand jury and refused to testify?

Mr. ZVARA. Mr. Chairman, I invoke the privilege under the Constitution not to be a witness against myself.

Senator MUNDT. Do you honestly believe that if you gave an honest answer to that question it could conceivably incriminate you?

If it was incriminatory evidence and you had refused to go, you would be in trouble right now. If it is not incriminatory evidence,

you have no right to plead the fifth amendment to it, because the fifth amendment is involved only when you can protect yourself by refusing to testify. I want to ask you: Do you honestly believe that if you gave an honest answer to my question as to whether you were summoned before the grand jury and refused to testify, that you think that would incriminate you?

Mr. ZVARA. Mr. Chairman, I invoke the privilege under the Constitution not to be a witness against myself.

Senator MUNDT. Mr. Chairman, I suggest that you order the witness to answer that question, because I can't conceive of the fact that it would be held by any court to be a valid exercise of his rights.

The CHAIRMAN. The Chair sustains the request of Senator Mundt and will order and direct the witness to answer the question whether he was subpoenaed before the grand jury in New York, and then refused to appear and testify.

(The witness conferred with his counsel.)

The CHAIRMAN. Also whether you believe a truthful answer to that question might tend to incriminate you.

(The witness conferred with his counsel.)

Mr. ZVARA. On advice of my counsel, Senator, I want to inform you that I was not subpoenaed to go before the grand jury.

The CHAIRMAN. You were not subpoenaed to go before the grand jury. All right.

The question has been answered.

Senator MUNDT. Now I suggest that Mr. Curtis and Mr. Manuel pick it up at that point. He tells us that he was not subpoenaed to go before the grand jury.

Mr. MANUEL. Mr. Chairman, I think I can clear it up, and I think Mr. Friedman can agree.

It is a matter of public information in the press.

Mr. Hogan's office in New York would not issue a subpoena to Mr. Zvara because it carried automatic immunity. Since they would not give him immunity, Mr. Zvara would not go in. Substantially that is correct.

Mr. FRIEDMAN. That is correct.

The CHAIRMAN. In other words, they did not offer immunity to Zvara, but they did to Dale; is that correct?

Mr. MANUEL. Yes, that is substantially correct.

Senator MUNDT. Thank you for clarifying that.

I don't know if it would be a matter of moment, but it did not occur to me to be a valid use of the fifth amendment. I wonder if you cannot be cooperative with the committee on some of these other questions.

The fact that you refused to answer a question as to whether or not you shared any of this commission that you received with Mr. Gosser could or could not reflect upon Mr. Gosser. You can honestly say, "No" to that question, and you will clarify the situation as far as one of the problems with which this committee is concerned. You have been a member of the UAW, I presume, for a long time. It must be an organization of which you were proud to be a member. I would think you would owe some sense of loyalty both to Mr. Gosser and Mr. Reuther. By answering "no" to these questions, you can clear them of suspicion or implication of suspicion.

I would think as a good member of the union and a faithful follower of them for many, many years, you would want to do that, so I ask you this question: Did you share any of this commission that you received from the Electric Auto-Lite people or the Elliott people with Mr. Gosser?

Mr. ZVARA. I invoke the privilege under the Constitution not to be a witness against myself.

Senator MUNDT. But you realize, Mr. Zvara, if you could say "No" to that question, you would be very helpful to Mr. Gosser, and you would eliminate any area of suspicion which might arise out of the fact that you refuse to answer the question on the grounds of the fifth amendment?

(At this point Senator McClellan withdrew from the hearing room.)

Mr. ZVARA. Mr. Chairman, I invoke the privilege of the Constitution not to be a witness against myself.

Senator MUNDT. I thought you might have welcomed an opportunity to help clarify the issue.

Mr. FRIEDMAN. Senator, may I say that that goes to the investigation in New York.

Senator KENNEDY. I object to those words of area of suspicion. It may be that Mr. Gosser received this information, and information will be developed to demonstrate that.

But I do not believe he can possibly sustain the point that merely because he takes the fifth amendment in regard to that question that that builds up an area of suspicion.

Did you give any of the money to Mr. Manuel?

(The witness conferred with his counsel.)

Senator MUNDT. I hoped that it would eliminate any question.

Mr. ZVARA. I invoke the privilege under the U.S. Constitution not to be a witness against myself.

Senator KENNEDY. I don't know if Gosser got the money or not. Maybe they will show that he did. I think merely because the witness takes a fifth amendment, unless there is information behind the question, that because he takes the fifth amendment an area of suspicion has been generated.

I asked him with regard to Mr. Manuel. Quite obviously Mr. Manuel did not receive any money. The fact that you took the fifth on that question does not indicate a scintilla of information. If you gave the money to Mr. Gosser or not, it seems to me that it must wait on evidence, not whether you took the fifth amendment with regard to the question.

Senator CURTIS. Might I say with regard to that, I believe the Senator made some reference to intent or objective of the hearing in question. It is not the objective to get information on any specific person. The objective of these questions is to find out if he gave it to anybody, and if anybody else shared in this, let the chips fall where they may.

Here is a witness who, according to the previous witness, did handle this money. He was a witness that, according to the statement, the statement of counsel, counsel was taken by surprise that he did not testify. I merely wanted to clear the point. It is not to find evidence

against Mr. Gosser or any other particular person. Our objective is to find out what are the facts.

I want to ask you: Did you share this money with anyone?

Mr. ZVARA. Mr. Chairman, I invoke the privilege under the U.S. Constitution not to be a witness against myself.

Senator CURTIS. Are you afraid of anybody?

Mr. ZVARA. I invoke the privilege under the U.S. Constitution not to be a witness against myself.

Senator CURTIS. Has anyone, other than your own lawyer, advised you in any manner about your testimony here?

Mr. ZVARA. I invoke the privilege under the Constitution not to be a witness against myself.

Senator KENNEDY. May I ask: When was it that the witness informed you that he would talk and when was it he withdrew that agreement?

Mr. MANUEL. I believe I can give you an approximate date.

Senator KENNEDY. While waiting, I will ask the attorney a question.

Were you aware of the fact that they didn't have any agreement to testify?

Mr. FRIEDMAN. The witness didn't make the agreement. I made the agreement with Mr. Manuel and I am the one who called it off.

Senator KENNEDY. Do you object to being sworn in regard to this matter?

Mr. FRIEDMAN. No, I do not.

Senator MUNDT. Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. FRIEDMAN. I do.

TESTIMONY OF MARCUS L. FRIEDMAN

Senator KENNEDY. Could I ask you: Did you agree that this witness would testify?

Mr. FRIEDMAN. Yes, I did.

Senator KENNEDY. Can you tell us what date that was?

Mr. FRIEDMAN. I can't give you the exact date. It was sometime when Mr. Manuel was in the city of Toledo. I think the last part of June or the early part of May.

Am I correct?

Mr. MANUEL. I am not certain. I think it was May.

Mr. FRIEDMAN. The latter part of May or the first of June is my recollection.

Senator KENNEDY. When did you withdraw that?

Mr. FRIEDMAN. On June 22, by a wire that I sent to Mr. Manuel. That was on June 22.

Mr. MANUEL. And later it was confirmed by telephone.

Senator KENNEDY. This states that the files of the New York grand jury were being surrendered to the committee and—

Therefore, in the interest of fairplay and justice, we feel we must cancel the appointment—

and so forth.

In other words, when you read this story in the Toledo press, you advised your client not to participate?

Mr. FRIEDMAN. That is correct.

Senator KENNEDY. So this information comes as no surprise?

Mr. MANUEL. That is correct.

Senator KENNEDY. As of that time, did you have an indication that something other than the Toledo story caused him to change?

Mr. MANUEL. I don't know. He confirmed by telephone that Mr. Zvara would invoke his privilege and refuse to testify. My only question to him was what occasioned the change of heart.

Senator KENNEDY. Maybe the information is in the wire.

Mr. FRIEDMAN. That is correct. It was based on a newspaper story which appeared in the Toledo Blade, which I put into my opening statement. We thought the case had been closed in New York.

(At this point Senator McClellan returned to the hearing room.)

The CHAIRMAN. Is this the wire that you sent?

Mr. FRIEDMAN. From the way Senator Kennedy read it, it is my wire.

The CHAIRMAN. Will you examine it and state if that is your wire?

Mr. FRIEDMAN. Yes.

The CHAIRMAN. It will be made exhibit No. 15.

(Telegram referred to was marked "Exhibit No. 15" for reference and will be found in the appendix on p. 20409.)

Mr. FRIEDMAN. I would say this is the wire I sent out of Toledo to Mr. Robert Manuel.

Senator MUNDT. While you are still wearing your hat as a witness, you may become unsworn and become a witness again. I wonder if in view of the ruling by the Chair that a newspaper story in Toledo, Ohio, pending perhaps that Mr. Zvara would not be called before the grand jury, would not be considered a valid excuse for Mr. Zvara to refuse to testify. Our committee has been consistent throughout these hearings in holding that the grand jury is not a reason for a man not to testify.

In view of that rule, and if I am supported by the committee, I wonder if you would be willing to advise your client that it is fair now to testify so that we may clear up some of these activities and some of these questions.

Mr. FRIEDMAN. Sir, as a lawyer, representing an individual, I cannot at this time change my position of advice to my client, based on the fact that there is still an open case pending in the State of New York, which may or not return a presentment of indictment in the city of New York or New York County.

I must say this, that any testimony that could become public could be used by the grand jury or the prosecution in the State of New York for its own use. Anything we say could be used either for or against us in that grand jury.

Therefore, I must advise my client not to testify and be a witness against himself in my true conscience.

Senator CHURCH. In your telegram, do you state the whole reason why you advised your client to testify here?

Mr. FRIEDMAN. That is correct, sir.

Senator CHURCH. There was no further reason?

Mr. FRIEDMAN. None, sir.

Senator CHURCH. Then you were not as his lawyer contacted by Mr. Walter Reuther or Mr. Gosser or any other high official of the

UAW, and offered any kind of arrangement which formed the basis of your advice to him not to testify here?

Mr. FRIEDMAN. I would like to answer that by making a statement first.

I have not been a labor lawyer in my life. I have represented Mr. Zvara as an individual client. I have not been in contact with any of the attorneys for the UAW, or Mr. Reuther, or a Mr. Conroy, or a Mr. Rauh, who I met for the first time here today, standing in the corridor.

The advice I have given him is mine and mine alone.

Senator CHURCH. What about Mr. Gosser?

Mr. FRIEDMAN. The only time I talked to Mr. Gosser was some 15 or 20 years ago. I have never talked to Mr. Gosser in the last 15 years.

Senator CHURCH. So none of these men you have named, and no attorneys for the UAW, have contacted you in your capacity as this man's lawyer, for the purpose of inducing you to advise him not to testify before this committee?

Mr. FRIEDMAN. The answer is absolutely "No." If they had advised me contrary to my opinion, I believe I know what I would have told them.

Senator CHURCH. I believe I know what you would have told them, too.

That is all.

The CHAIRMAN. Are there any further questions?

The witness will remain under his present subpoena, subject to being recalled at such time as the committee may desire to hear further testimony from him.

You will be given reasonable notice of the time and place where the committee will desire to hear you.

Do you acknowledge that recognizance?

Mr. FRIEDMAN. He has been so advised by myself, Mr. Chairman. He is under continuous order of this committee until such time as the matter is fully and completely settled.

The CHAIRMAN. We will accept your recognizance.

Call the next witness.

Senator CURTIS. Mr. Ernest Love.

The CHAIRMAN. Please be sworn, Mr. Love.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. LOVE. I do.

TESTIMONY OF ERNEST H. LOVE, ACCCOMPANIED BY COUNSEL, MARCUS L. FRIEDMAN

The CHAIRMAN. All right, Senator Curtis.

Senator CURTIS. Would you state your name, please?

Mr. LOVE. Ernest H. Love.

Senator CURTIS. Your address?

Mr. LOVE. 4650 Sylvania Road, Toledo, Ohio.

Senator CURTIS. What is your work or occupation?

Mr. FRIEDMAN. May I make a statement at this time, Senator?

Mr. Love's records were taken before the New York grand jury, who also was under investigation in the same case arising out of the investigation of Mr. Richard Gosser, Mr. Peter Zvara, one Kenneth D. Long, and Mr. Love. Although he never was subpoenaed or summoned or requested before the grand jury, a possible indictment would ensue on a further investigation.

Therefore, on all questions with reference to any moneys he might have received, I have instructed him to refuse to answer.

Senator CURTIS. Have you at any time held any position for salary with any part of the UAW?

(The witness conferred with his counsel.)

Mr. LOVE. Senator, I invoke the privilege under the Constitution not to be a witness against myself.

The CHAIRMAN. Let me ask one question. Are you still a member of the union?

(The witness conferred with his counsel.)

Mr. FRIEDMAN. May I say this: If I may have this privilege to consult with him on each question, certain questions I would allow him to answer, with the understanding that it does not open the door to go into things that I might feel, as a lawyer, might hurt him in a future investigation.

The CHAIRMAN. The Chair will permit you to consult with your client any time you desire. I want that understood. I am sorry I didn't make it clear.

Mr. FRIEDMAN. What I meant was I didn't want to open the door where one question would lead to a series of other questions where we could not invoke the privilege.

The CHAIRMAN. I wouldn't construe it, if he said he was still a member of the union, that that would lead to compelling him to answer other questions. He can say, "I am a doctor," but he doesn't have to say what patients he has treated, or he can say, "I am a lawyer," but not say what clients he has.

He can say whether he is a union member or not, and then the next question would be whether he was a union officer or not.

Mr. LOVE. Yes, I belong to the union.

The CHAIRMAN. What official position do you hold?

Mr. LOVE. None.

The CHAIRMAN. Have you ever held an official position in the union?

Mr. LOVE. Yes, I have.

The CHAIRMAN. What position?

(The witness conferred with his counsel.)

Mr. LOVE. I have been president, chief steward, trustee.

The CHAIRMAN. Of what?

Mr. LOVE. Local 1058 UAW, Toledo, Ohio.

The CHAIRMAN. Where is it located?

Mr. LOVE. Toledo.

The CHAIRMAN. All right.

You may proceed. I just wanted to find out if he belonged to the union.

Senator CURTIS. Did you ever receive any commissions or payments from the George Elliott Co. in New York?

Mr. LOVE. I invoke the privilege under the Constitution not to be a witness against myself.

Senator CURTIS. Did you ever perform any services for the George Elliott Co.?

Mr. LOVE. I invoke the privileges under the Constitution not to be a witness against myself.

Senator CURTIS. Did you share with anybody else any funds from the George Elliott Co.?

Mr. LOVE. I invoke the privilege under the Constitution not to be a witness against myself.

Senator CURTIS. Do you know Peter Zvara?

Mr. LOVE. Yes.

Senator CURTIS. Did you receive any funds from Peter Zvara?

Mr. LOVE. I invoke the privilege under the Constitution not to be a witness against myself.

Senator CURTIS. Did you receive any funds from Peter Zvara that you have reason to believe came from the George Elliott Co.?

Mr. LOVE. I invoke the privilege under the Constitution not to be a witness against myself.

Mr. MANUEL. Mr. Love, here again you can consult with your attorney, but are you now, or were you ever, a part of the Doehler Jarvis Council in Toledo, Ohio?

Mr. FRIEDMAN. I don't understand that.

Mr. MANUEL. Do you know what the Doehler Jarvis Council is?

Mr. LOVE. Yes, I do.

Mr. MANUEL. Consult with your attorney and see if he will advise you to describe what it is.

(The witness conferred with his counsel.)

Mr. LOVE. I invoke the privilege under the Constitution not to be a witness against myself.

Mr. MANUEL. Do you know what Doehler Jarvis is?

Do you know the Doehler Jarvis is an employer in Toledo?

Mr. LOVE. Yes.

Mr. MANUEL. Does Doehler Jarvis bargain collectively with the United Automobile Workers?

(At this point Senator Kennedy withdrew from the hearing room.)

Mr. FRIEDMAN. Again we come to the point where if he answers that "Yes," it could lead to where he would be foreclosed from taking his privilege under the Constitution.

I would allow him to answer that on the understanding that on the following questions we could accept the privilege without a citation for contempt.

The CHAIRMAN. May I ask Senator Curtis in presenting this testimony at this point: We can probably get more testimony than we are going to get if you agree, and I will leave it to your discretion, that whatever door you open you will not pursue it with the idea of prosecuting him, having him cited for contempt, if he ceases or stops at any point in answering. I will leave it to you.

Senator CURTIS. I would say this, that I don't feel it is necessary to make such an agreement. I think it is the witness' right and the duty of a lawyer to judge each question on its merits. I certainly would not use the answer to one question as grounds for insisting that the privilege could not be claimed against any subsequent question.

The CHAIRMAN. That is all apparently he wants assurances of.

Mr. FRIEDMAN. I want assurance of it, because I don't want to get myself involved in litigation to prove a point. If we have that assurance, there are a lot of questions we would answer and a lot of questions that we can't answer, that we want the privilege of refusing to answer, without going through the possible citation for contempt.

The CHAIRMAN. I was trying to clear it up. If you had an understanding, you might get more information from a witness.

Senator CURTIS. What we want is information about this thing, and we are not seeking to punish this witness or to deprive him of his rights in refusing to testify against his own interests.

(At this point Senator Kennedy returned to the hearing room.)

Senator CURTIS. I believe the question was whether or not you knew whether the Doehler Jarvis Co. had a bargaining contract with the UAW.

(The witness conferred with his counsel.)

Mr. LOVE. Yes.

Senator GOLDWATER. Will the Senator yield at that point? I am a little confused.

In this administrative letter from the UAW it referred to Doehler Jarvis Local No. 1058 UAW. Is Doehler Jarvis a company or a local?

Mr. FRIEDMAN. It is a company.

Senator GOLDWATER. Doehler Jarvis is the company, and local 1058 is the local?

It says terminated membership in Toledo, Doehler Jarvis Local 1058 UAW.

Senator ERVIN. They have the name of the company in the local.

Senator GOLDWATER. The firm name is not hyphenated.

Senator CURTIS. What does Doehler Jarvis manufacture?

Mr. LOVE. Diecastings.

Senator CURTIS. And there is a local union referred to as Doehler Jarvis 1058; is that correct?

Mr. LOVE. Yes, that is correct.

Senator CURTIS. Can you tell us, and I am not asking for names, can you tell us what they mean by the Doehler Jarvis Council?

(At this point Senators Mundt and Goldwater withdrew from the hearing room.)

(The witness conferred with his counsel.)

Mr. LOVE. I invoke the privilege under the Constitution not to be a witness against myself.

Senator CURTIS. I have nothing further, Mr. Chairman.

The CHAIRMAN. Are there any further questions?

Did I understand you to say that you are still a union official?

Mr. LOVE. No, I am a union member, Senator.

The CHAIRMAN. Just a union member now?

Mr. LOVE. Yes.

The CHAIRMAN. Did you cease to be a union official subsequent to the time of these matters being inquired about?

(The witness conferred with his counsel.)

Mr. LOVE. Would you repeat the question?

The CHAIRMAN. Has there been some disciplinary action taken, or did you voluntarily take action to withdraw as an officer of the union since these matters came to attention?

(The witness conferred with his counsel.)

Mr. LOVE. I voluntarily resigned.

The CHAIRMAN. When? Just approximately the date.

(The witness conferred with his counsel.)

Mr. LOVE. About the middle of April.

The CHAIRMAN. This year?

Mr. LOVE. Yes, sir.

Senator CURTIS. At whose request did you resign?

Mr. LOVE. It was nobody's request. I just resigned.

Senator CURTIS. When would your term of office have been up?

(The witness conferred with his counsel.)

Mr. LOVE. I was not an officer at the time of resignation. I was international representative for the UAW.

Senator CURTIS. Assigned to whom?

Mr. LOVE. To the staff of Richard Gosser.

Senator CURTIS. To the staff of Richard Gosser?

Mr. LOVE. Yes.

Senator CURTIS. And you voluntarily resigned?

Mr. LOVE. That is correct.

Senator CURTIS. Did you have any conversations with anybody concerning your resignation?

(The witness conferred with his counsel.)

Mr. LOVE. Do you mean before I quit?

Senator CURTIS. Yes.

Mr. LOVE. No.

Senator CURTIS. At the time you quit did you have any?

Mr. LOVE. At the time I—

(The witness conferred with his counsel.)

Mr. LOVE. Well, I talked to Mr. Gosser at the time I resigned. I gave him my resignation.

Senator CURTIS. Who suggested the subject of resigning first in this conversation?

(The witness conferred with his counsel.)

Mr. LOVE. I had stated before discussion with anyone that I was resigning.

Senator CURTIS. I can't hear you.

Mr. LOVE. I said I had made the statement myself that I was going to resign, actually, several days before I actually did.

Senator CURTIS. Did you seek an appointment with Mr. Gosser?

Mr. LOVE. No, sir.

Senator CURTIS. He sent for you?

(The witness conferred with his counsel.)

Mr. LOVE. No.

Senator CURTIS. You didn't seek an appointment and he didn't send for you?

Mr. LOVE. No, sir.

Senator CURTIS. What brought you together for the meeting, then?

(The witness conferred with his counsel.)

Mr. LOVE. There was a meeting called in Detroit with certain union people and certain staff people, and I was in attendance at that meeting. It was after that meeting that I conversed with Mr. Gosser.

Senator CURTIS. You were in attendance at the meeting?

Mr. LOVE. Yes, sir.

Senator CURTIS. Who else was at the meeting?

(The witness conferred with his counsel.)

Mr. LOVE. Well, there was a Mr. Brown.

Senator CURTIS. Who is he?

Mr. LOVE. Mr. Brown is an international representative.

Senator CURTIS. Who else was there?

Mr. LOVE. There was a Mr. Brown, Eddie Brown, international representative. There was Mr. Joseph Ross, also an international representative; Mr. Joe Mooney, an administrative assistance to Mr. Gosser. There was a Mr. Roberts, from Toledo; a Mr. Barker.

Senator CURTIS. What was their business, Roberts and Barker?

Mr. LOVE. Local union officials of 1058. There was a Mr. Anthrum, and a Mr. R. Roberts, also officials of Toledo Local 1058. There was a Mr. A. DeSanto, from Batavia, N.Y. I think their local is 1057. A Mr. Frank Giglio, an officer of local 1057; a Mr. DePiazza, of local 1057.

Senator CURTIS. There was a staff meeting?

Mr. LOVE. This was a meeting called—

(The witness conferred with his counsel.)

Mr. LOVE. I received instructions from an administrative assistant, Mr. Walter Madryzkowski, to convene at this meeting in Detroit. I don't remember the exact date.

Senator CURTIS. Did he tell you what the meeting was about?

Mr. LOVE. No, sir.

Senator CURTIS. He holds what job?

Mr. LOVE. He is an administrative assistant to Mr. Gosser.

Senator CURTIS. What was the meeting about?

(The witness conferred with his counsel.)

Mr. LOVE. The purpose of the meeting was to name the successor to Mr. Zvara.

Senator CURTIS. To name the successor to Mr. Zvara?

Mr. LOVE. Yes.

Senator CURTIS. And it was at that meeting that you saw Mr. Gosser?

Mr. LOVE. That is correct.

Senator CURTIS. Who presided over that?

Mr. LOVE. Gr. Gosser.

Senator CURTIS. And was it during the meeting or after the meeting you told him that you were going to resign?

Mr. LOVE. I made a statement at the meeting that I had intended to resign. But at that particular time I didn't do it. It was later that I resigned.

Senator CURTIS. What prompted you to make the statement that you were going to resign?

(The witness conferred with his counsel.)

Mr. LOVE. Well, number one, I thought that I was entitled to the successor's job. I didn't receive it. That is probably actually what prompted it.

Senator MUNDT. Would you tell me what you were resigning from?

Mr. LOVE. I was an international representative for the UAW.

Senator MUNDT. You were not resigning from the union, but you were resigning your position that you had?

Mr. LOVE. That is correct. I wasn't resigning my membership, but just the position.

Senator MUNDT. Who is Mr. DeSanto, from Batavia?

Mr. LOVE. Mr. DeSanto from Batavia is a local officer of Batavia Local 1057.

Senator CURTIS. Did Mr. Zvara resign from the union?
(The witness conferred with his counsel.)

Mr. LOVE. Yes; to my knowledge he resigned.

Senator CURTIS. That is, his membership in the union?

Mr. LOVE. That is correct.

Senator CURTIS. He was not expelled?

Mr. LOVE. Not to my knowledge he wasn't.

(At this point Senator Goldwater entered the hearing room.)

Senator CURTIS. Charges had been filed with the executive board against him; had they not?

(The witness conferred with his counsel.)

Mr. LOVE. Yes, they were filed, to my knowledge.

Senator CURTIS. But no trial was held?

Mr. LOVE. No, no.

Senator CURTIS. Why was not the trial held?

(The witness conferred with his counsel.)

(At this point Senator Mundt entered the hearing room.)

Mr. LOVE. Well, I assume the reason it wasn't held—I really don't know; I assume this—was because Mr. Zvara resigned membership in the union and, therefore, there was no further cause for the meeting.

Senator CURTIS. Was it your understanding that if someone is charged, charges brought against them before the executive board, he may resign, and that eliminates the trial?

Mr. LOVE. Would you repeat that, Senator?

Senator CURTIS. Was it your understanding that under the constitution that when charges are pending, the accused can resign and then the trial will not be held?

(The witness conferred with his counsel.)

Mr. LOVE. I don't know that, Senator. I couldn't answer.

Senator CURTIS. Reading the section I referred to once before, section 3 of article 30, on page 66 of this copy of the constitution of the international union:

Upon charges being submitted, it is mandatory that the trial be held, unless the charges are withdrawn by the accuser.

Do you know who the accuser was of Mr. Zvara?

(The witness conferred with his counsel.)

Mr. LOVE. The accuser was the international union, I presume.

Senator CURTIS. The executive board?

Mr. LOVE. I presume.

Mr. FRIEDMAN. May I interrupt a moment? I would like to confer with him.

(The witness conferred with his counsel.)

Mr. LOVE. In answer to the previous question, I don't know that.

Mr. FRIEDMAN I might say to the Senator I told him not to presume or assume, but he should tell what he actually knows or doesn't know. His assumptions are of no value.

Senator CURTIS. Were you at any meeting or do you have any direct knowledge of charges against Mr. Zvara being dropped?

Mr. LOVE. No, sir; I wasn't.

Senator CURTIS. Was any reference made to it at this meeting that you said was to pick a successor to Mr. Zvara?

Mr. LOVE. No, sir; there wasn't.

Senator ERVIN. As a matter of law, I wonder if a union would have any authority to try a man who resigns. I don't know whether they would have the authority to try him.

Mr. FRIEDMAN. May I make a statement?

I checked that very carefully, and the union had no authority to try him when he was no longer a member under their jurisdiction. Very frankly, I instructed my client to resign because I felt that anything that might have been said or done before that committee could jeopardize his position with the New York grand jury, just as our position here. But the minute that he was not under their jurisdiction, a trial would have been a mockery, because he was no longer a member of any local union.

Senator GOLDWATER. You are referring to Mr. Zvara?

Mr. FRIEDMAN. Yes.

Senator GOLDWATER. I thought you might have been referring to this man.

Mr. FRIEDMAN. That was the former witness—Mr. Zvara.

Senator MUNDT. From your study of the rules and bylaws of the UAW, does an individual human being have any different status, vis-a-vis, the union, whether he resigns or whether he is expelled? I am thinking in terms of pensions, perhaps, or old-age benefits. Is there a distinction?

Mr. FRIEDMAN. Frankly, I didn't go into that. I just went into his legal rights as to whether they could or could not have a hearing while he was absent in the event he handed in his resignation. But as to other benefits, I didn't get into that.

Senator MUNDT. You don't know whether he retained some benefits by resigning?

Mr. FRIEDMAN. I do know myself that he retained nothing. There is a clean, absolute severance.

Senator ERVIN. In the practice of law, I think perhaps a union, if a bylaw so provided, if after notice a man failed to appear for trial, they could go ahead and try him or suspend him. But when he resigns and severs his connection with the union, it would seem to me that the union, after investigating the law, could no longer exercise any jurisdiction over the man.

They might have some jurisdiction over some benefit or something that the union had control of, but as far as trying him as an individual, I think they would be beyond their jurisdiction.

Mr. FRIEDMAN. May I use this illustration? I have been quite active in my younger days in the Odd Fellows. We had a trial set up there in case you violated any of the rules or regulations of the order.

If I would resign from the order, the order could go no further with me, because I was no longer in their jurisdiction. This union constitution is based on the same ground as any fraternal organization, practically.

Senator CURTIS. But sometimes a person is expelled from a union for, say, 99 years, and one of our witnesses 110 years, and he can't get back in the union, so he is denied a job. I think it would be in-

teresting for legislative purposes to find out whether or not he could have protected his rights against such punishment by a mere resignation. It goes to a degree of punishment that the organization inflicts.

Mr. FRIEDMAN. Legally now, as his attorney, I didn't go into that phase of it. I went into the phase of protecting the record so that no evidence could be propounded that could be used against him in the State of New York.

Finding that his resignation would take away jurisdiction and, therefore, they could not question him or bring out any evidence, we took the course, at my advice, of resigning, to remove any jurisdictional rights that the UAW may or may not have had over Peter Zvara as an individual man.

Senator MUNDT. The reason I raised the question is—and you have answered that you did but advise him with the grand jury in mind, but not with reference to his resuming his position later with the union, in Government—a Government employee who resigns retains certain status rights, pension rights, and retirement rights, as against the fellow who is expelled under what they call the Hiss Act, where, if he is expelled for certain reasons, he is deprived of some of these items.

Mr. FRIEDMAN. I know that act very well. I was with the Government for 12 years, with the Department of Justice.

Senator MUNDT. So you realize that.

Mr. FRIEDMAN. Yes.

The CHAIRMAN. Is there anything further with this witness?

Senator CHURCH. In other words, as far as Mr. Zvara was concerned, he was a member of the union; you were concerned about the grand jury investigation; he was under charges by the union to be tried and might have been punished according to the union constitution if he had been found guilty.

You advised him to resign from the union. When he resigned from the union—the union couldn't prevent him from resigning, could it?

Mr. FRIEDMAN. No.

Senator CHURCH. So when he resigned from the union, he was outside of their jurisdiction and, therefore, they had no further jurisdiction, so they didn't proceed with the hearing against him.

Mr. FRIEDMAN. That is correct. That is an absolute statement.

Senator CHURCH. Thank you.

Senator KENNEDY. You have resigned your position, but you have not suffered any disciplinary action by the union?

(The witness conferred with his counsel.)

Mr. LOVE. No, sir.

Senator KENNEDY. Except for your own voluntary action, no one connected with the union ever discussed instituting any charges against you which might have led to your possible expulsion because you were connected with the same matter as Mr. Zvara?

Mr. LOVE. No, sir.

Senator KENNEDY. Why, if Mr. Zvara has been subjected to the threat of expulsion, charges which might have led to expulsion, which caused his resignation—and there has been no action taken against you, other than to acquiesce in your resignation. Do you have any explanation in the difference of treatment?

Mr. FRIEDMAN. That is pretty hard to explain. All we can do is assume there. If I may express an assumption, I will be glad to. My assumption there is that we disobeyed the order of the UAW under their ethical code regulations to voluntarily appear at Detroit and subject ourselves to the grand jury action.

In view of the fact that we refused to abide by their direction—that is why the disciplinary action, because we absolutely, at my advice, Mr. Zvara, refused to proceed to New York voluntarily.

Senator KENNEDY. In this case, what happened?

Mr. FRIEDMAN. Mr. Zvara is no longer with the union. Mr. Love was never directed to go to New York, nor did the New York grand jury ever ask him to go to New York. That is the distinction. He was never requested either to go voluntarily or otherwise.

Senator KENNEDY. In other words, the disciplinary action was invoked because of the refusal, not because of the financial arrangements?

Mr. FRIEDMAN. Because of his refusal to abide by the code of ethics set up by the UAW that each man must voluntarily appear before an investigative body without taking the fifth amendment. That is what he refused to do at my advice.

I am talking about Mr. Zvara. That was strictly at my advice.

Senator CHURCH. Isn't it true, Mr. Friedman, that the union could not have based any action with respect to Mr. Zvara upon the alleged transaction—commission transaction—that he was charged with, because that matter never proceeded to a hearing where a determination could be made by a union?

Mr. FRIEDMAN. That is my opinion.

Senator CHURCH. Therefore, the only basis that they did have to act on was the basis that you have mentioned, his refusal to voluntarily go to the grand jury, which was a violation of their code of ethics.

Mr. FRIEDMAN. That is correct. That is my understanding.

Senator CURTIS. I would like to ask Mr. Love: Did any officials of the union make any inquiry concerning whether or not you participated in commissions from the George Elliott Co.?

(The witness conferred with his counsel.)

Mr. LOVE. I invoke the privilege under the Constitution not to be a witness against myself.

Senator CURTIS. Did any union officials ask you whether or not you received such commissions?

Mr. LOVE. I invoke the privilege under the Constitution not to be a witness against myself.

Senator CURTIS. I am not asking you for what you told them. I am merely asking: Did any union officials inquire into whether or not you received commissions from the George Elliott Co.?

(The witness conferred with his counsel.)

Mr. LOVE. I invoke the privilege under the Constitution not to be a witness against myself.

Senator CURTIS. Did you receive any commissions?

Mr. LOVE. I invoke the privilege under the Constitution not to be a witness against myself.

Senator CURTIS. You resigned as international representative, but have you received any other punishment or censorship from the union?

(The witness conferred with his counsel.)

Mr. LOVE. I invoke the privilege under the Constitution not to be a witness against myself.

Senator CURTIS. Have you been asked to resign as a member of the union?

(The witness conferred with his counsel.)

Mr. LOVE. I invoke the privilege under the Constitution not to be a witness against myself.

Senator CURTIS. Have you disclosed to any union officials any facts relating to commissions received from the George Elliott Co.?

(The witness conferred with his counsel.)

Mr. LOVE. I invoke the privilege under the Constitution not to be a witness against myself.

Senator CURTIS. That is all, Mr. Chairman.

Senator MUNDT. Mr. Chairman?

The CHAIRMAN. Senator Mundt.

Senator MUNDT. You resigned as an international representative because of what I would call sort of self-imposed discipline, deciding to do that, and part of out of disappointment because you did not get the reappointment to take Mr. Zvara's place.

You also said that you had had an office, I think, as president of the local union. Is that right?

Mr. LOVE. Yes; that is correct.

Senator MUNDT. Did you hold that at the same time you were international representative?

Mr. LOVE. No; that was prior to that.

Senator MUNDT. How does it happen? Did you get promoted from president to international representative? How did it happen you were not president at this particular time?

(The witness conferred with his counsel.)

Mr. LOVE. I was defeated for reelection in the year 1957 for the presidency of the local. Subsequent to that I was appointed international representative.

Senator MUNDT. How long were you international representative?

(The witness conferred with his counsel.)

Mr. LOVE. I was an international representative twice—international representative in the years 1948-49. I resigned in 1950. And again I was appointed international representative in 1957; October, I believe.

Senator MUNDT. That is an appointive job?

Mr. LOVE. That is correct.

Senator MUNDT. Who appoints you?

Mr. LOVE. Mr. Gosser.

Senator MUNDT. When you were an international representative, did you make contributions to what our committee has had referred to as the flower fund?

(The witness conferred with his counsel.)

Mr. LOVE. I invoke the privilege under the Constitution not to be a witness against myself.

Senator MUNDT. Let me rephrase the question.

As an international representative were you ever compelled, involuntarily, to make contributions to what we call a flower fund?

(The witness conferred with his counsel.)

Mr. LOVE. I invoke the privilege under the Constitution not to be a witness against myself.

(At this point Senator Capehart entered the hearing room.)

Senator MUNDT. Are you willing to say whether you are aware of the existence of an apparatus called the flower fund?

(The witness conferred with his counsel.)

Mr. LOVE. I invoke the privilege under the Constitution not to be a witness against myself.

Senator MUNDT. That is all, Mr. Chairman.

The CHAIRMAN. Any other questions?

Senator KENNEDY. There is some question about whether it is possible because he has been expelled from the union to be expelled from his job. My recollection of the Taft-Hartley Act is that that does not necessarily follow. A company is not compelled to fire a man merely because he is expelled from the union, and if the union seeks to have him fired for that reason, they would be in danger of an unfair labor practice.

Senator GOLDWATER. I might say in that connection, the constitution of the UAW specifically prevents a man from losing his job because of that discipline. You will find it in article 30, around page 65 or 66.

I happened to notice it in there. He cannot lose his job. But if he loses his job because of some action of the company in deciding to let him go, then he could not get employment elsewhere wherever the particular local had contracts.

Senator CHURCH. In any case, there was no expulsion involved in these witnesses.

Senator GOLDWATER. I was in error in the case of the machinists in Los Angeles, when I said it was tantamount to losing their job. It was not. That is when the three men were dismissed because of supporting right to work. But if they subsequently lose their job because of their own doings and the company's doings, they could not then be employed wherever the contract existed with that particular union.

Senator ERVIN. I have a very indistinct recollection that the Taft-Hartley Act, itself, in authorizing a union shop, provides that a man cannot be discharged by the union on any ground except his failure to pay dues.

Senator GOLDWATER. That is correct. That is in section 8(a), I believe.

Senator MUNDT. Maybe I should ask you this, Mr. Love: You are now a workman or a foreman or a mechanic or something working for this company for which the union is named, are you?

(The witness conferred with his counsel.)

Mr. LOVE. Yes. I am now presently employed at the Doehler Jarvis Corp. in Toledo.

Senator MUNDT. And paid by them?

Mr. LOVE. I am being paid by management for work performed.

Senator MUNDT. Do you receive any pay from the union in any way, shape, or form?

(The witness conferred with his counsel.)

Mr. LOVE. No.

Senator MUNDT. Your sole source of income, as far as your connection with that company is concerned, is the pay you get as a foreman?

(The witness conferred with his counsel.)

Mr. LOVE. That is correct.

Mr. MANUEL. I have just two questions, if I may, Mr. Chairman.

Mr. Love, were you chairman of the Doehter Jarvis unit of your local?

Mr. FRIEDMAN. I didn't hear the question.

Mr. MANUEL. Was he chairman of the Doehter Jarvis unit of his local?

(The witness conferred with his counsel.)

Mr. LOVE. I was president of Doehter Jarvis Local 1058; yes.

Mr. MANUEL. Were you also by virtue of that a member of the Doehter Jarvis council, composed of Mr. Zvara and Mr. Gosser?

(The witness conferred with his counsel.)

Mr. Love. I invoke the privilege under the Constitution not to be a witness against myself.

Mr. MANUEL. That is all.

Senator CURTIS. That is all, Mr. Chairman.

The CHAIRMAN. Is there anything further?

Senator GOLDWATER. Mr. Chairman, might I ask Senator Curtis if he has looked at the papers that came from the UAW through Mr. Rauh, the material that he had requested the chairman request from Mr. Rauh? I believe it was delivered here. It looks like a small amount. I wondered if it was what you asked for?

Senator CURTIS. I don't know.

Senator MUNDT. Does Mr. Curtis have permission to examine those?

The CHAIRMAN. Yes. I was examining them myself, briefly.

The witness will remain under his present subpoena, subject to being recalled at such time as the committee may desire further testimony from him. He will not be resubpoenaed.

You will accept such recognizance?

Mr. FRIEDMAN. Yes.

Senator GOLDWATER. I would like to say in closing that this has been a rather unusual session, in that it is one of the few times that I remember where the witness has been willing to cooperate in answering questions that would not directly affect him.

I would like to suggest that we might try more of this in our hearings in the future, where we can offer assurances that he is not going to be penalized for answering questions that have no bearing upon the thing that he is trying to protect himself from.

Senator MUNDT. I would like to add my word of appreciation, too, Mr. Love. We appreciate the fact that you did say something, because some of the witnesses just clam up. So I also salute Mr. Friedman for helping to open the gate and get us a little information.

I apologize for asking him to take an oath before he became a witness. But that is an old, standing operation and procedure.

Mr. FRIEDMAN. I want to thank you, members of the committee, for completing this today.

The CHAIRMAN. The committee will be in recess until 10:30 tomorrow morning.

(Members of the select committee present at time of recess: Senators McClellan, Ervin, Curtis, Kennedy, Mundt, Goldwater, and Capehart.)

(Whereupon, at 4:34 p.m., the select committee recessed, to reconvene at 10:30 a.m., Wednesday, August 12, 1959.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

(On August 12, 1959, Richard T. Gosser and Joseph L. Rauh, Jr., testified in executive session before the Senate Select Committee on Improper Activities in the Labor or Management Field. This testimony was made public by the members of the Select Committee on Improper Activities in the Labor or Management Field on August 19, 1959, and follows below.)

WEDNESDAY, AUGUST 12, 1959

U.S. SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D.C.

The select committee met at 10:30 a.m., pursuant to Senate Resolution 44, agreed to February 2, 1959, in room 3302, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Karl E. Mundt, Republican, South Dakota; Senator John F. Kennedy, Democrat, Massachusetts; Senator Sam J. Ervin, Jr., Democrat, North Carolina; Senator Frank Church, Democrat, Idaho; Senator Barry Goldwater, Republican, Arizona; Senator Carl T. Curtis, Republican, Nebraska; Senator Homer E. Capehart, Republican, Indiana.

Also present: Robert F. Kennedy, chief counsel; Jerome S. Adlerman, assistant chief counsel; P. Kenneth O'Donnell, assistant counsel; Paul J. Tierney, assistant counsel; Robert E. Manuel, assistant counsel; Pierre E. G. Salinger, investigator; Walter J. Sheridan, investigator; Carmine S. Bellino, consulting accountant; Ruth Y. Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at the convening of the session: Senators McClellan, Kennedy, Ervin, Capehart, Goldwater, and Curtis.)

The CHAIRMAN. We will call Mr. Richard Gosser.

I understand that Mr. Gosser will not be available for about 20 minutes. The witness, Mr. Gosser, has been called.

(At this point Mr. Joseph L. Rauh entered the hearing room.)

Mr. RAUH. He will be ready in 20 minutes. Shall I get him?

The CHAIRMAN. Why isn't he here now? That is what I want to know.

Mr. RAUH. He is not here because I called Senator Curtis' office and I said, "Would you please let me know the list of the witnesses?"

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and they would not give me any answer. Outside, when Senator Curtis entered this room in front of the press, I said, "Senator Curtis, may I please know the list of the witnesses?" and he said, "No, you may not." I am not going to have Mr. Gosser stand out here.

Mr. KENNEDY. Did you talk to Mr. Manuel this morning?

Mr. RAUH. I talked to him ahead of time and he told me he did not know the order of witnesses and that Senator Curtis alone knew the order of witnesses.

Senator CURTIS. Just a minute. Mr. Rauh did not submit his question to me limited to the witness or witnesses that he represents. He asked for a list of the witnesses, and that was the end of the request.

Mr. MANUEL. I told Mr. Rauh that this witness would be called first, Mr. Gosser.

Mr. RAUH. That is not true, Your Honor.

Senator CURTIS. That is true.

The CHAIRMAN. Now, we are operating under a very difficult situation here. The Chair is trying to keep these hearings going, and so I am going to recess for 20 minutes, and at 11 o'clock we are going to reconvene.

Get the witness down. Do you want them all standing out here now? I will do it any way you want to, to expedite the thing. Do you want them all standing out in the hall?

Senator CURTIS. I have given you a list of the four that will be called next.

The CHAIRMAN. Here are the witnesses, and get them in here.

(A document was handed to Mr. Rauh.)

Mr. RAUH. There are none of mine except Mr. Gosser, sir, but I will get Mr. Gosser here in 20 minutes.

Mr. MANUEL. I will get the rest of them, Mr. Chairman.

The CHAIRMAN. I don't know who is going to be called, and I didn't know until just now.

(Whereupon, at 10:45 a.m., a short recess was taken.)

(The hearing was resumed at 11:10 a.m., with the following members of the select committee present: Senators McClellan, Kennedy, Ervin, and Curtis.)

The CHAIRMAN. The committee will please come to order.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GOSSEr. I do.

TESTIMONY OF RICHARD T. GOSSEr, ACCOMPANIED BY COUNSEL, JOSEPH L. RAUH, JR., LOWELL GOERLICH, AND FRANCIS RENO

Mr. GOSSEr. Mr. Chairman, I would like to pass this out to all of the Senators.

The CHAIRMAN. Let us get you identified first and your counsel identified.

Senator CURTIS. Mr. Gosser, would you state your full name, please?

Mr. GOSSEr. Richard T. Gosser.

Senator CURTIS. And what is your address?

Mr. GOSSEr. 3476 Drummond Road, Toledo, Ohio.

Senator CURTIS. What is your business or occupation?

Mr. GOSSEr. I am a vice president of the United Automobile Workers of America.

Senator CURTIS. Do you hold any other office in the UAW?

Mr. GOSSEr. No.

Senator CURTIS. Are you a member of any councils, such as the Doebler Jarvis Council?

Mr. GOSSEr. In that respect, I understand what you mean. Yes; I am director of the council.

The CHAIRMAN. You have counsel present, have you, Mr. Gosser?

Mr. GOSSEr. Yes.

The CHAIRMAN. Counsel, will you identify yourselves, please?

Mr. GOERLICH. My name is Lowell Goerlich, G-o-e-r-l-i-c-h, 1126 16th Street NW., Washington, D.C.

Mr. Joseph Rauh is here also representing Mr. Gosser, and Mr. Francis Reno, from Toledo, Ohio.

Senator CURTIS. He is an attorney?

Mr. GOERLICH. Yes, sir.

The CHAIRMAN. This is quite an array of counsel, I may say. I think that we have permitted two heretofore, but it looks like we are confronted with three. I personally have no objection. Does any member of the committee have any objection?

Senator ERVIN. No, but my father, who was a lawyer for a long time, said that in a multitude of counsel was safety, and he didn't know whether it was safety for the client or safety for the lawyers.

The CHAIRMAN. Well, with the answer to that in doubt, we will proceed.

Mr. Gosser said he had a statement. Do I understand you have a prepared statement, Mr. Gosser, under the rules of the committee?

Mr. GOSSEr. I do.

Senator CURTIS. Mr. Chairman, I didn't want to go into any subject matter at this time. I wanted to ask him about his appearance here, whether or not he was subpoenaed.

The CHAIRMAN. You may ask him that.

Senator CURTIS. You were not served with a subpoena, were you?

Mr. GOSSEr. Yes; I was, excepting that I want to make it very clear now so that I don't get another alias or something like that, you misspelled my name, and the subpoena says G-o-s-s-a, and my name is spelled G-o-s-s-e-r, and if I get another alias, it is created by you fellows and not me.

I didn't want to create any disturbance, and I accepted the subpoena because I knew it was intended for me.

The CHAIRMAN. Then the subpoena was actually served?

Mr. GOSSEr. Yes, in Detroit, Mich., Monday morning, and I would say around 11 or 12 o'clock.

Senator CURTIS. Would you produce that subpoena?

The CHAIRMAN. I sent an unsigned subpoena to Mr. Rauh about some documents, I believe, and maybe there was one to Mr. Gosser.

Mr. GOSSEr. No; the subpoena has your name on it, Senator McClellan.

The CHAIRMAN. All right; let us see it.

(A document was handed to the chairman.)

The CHAIRMAN. All right, I will pass it to Senator Curtis.

Senator CURTIS. Did you receive the subpoena that had you bring in some records?

Mr. GOSSE. No; that is the only subpoena I received.

Senator CURTIS. Mr. Rauh, do you have that subpoena? It is unsigned.

Mr. RAUH. That is correct, Senator Curtis.

The CHAIRMAN. Mrs. Watt, do we have the original subpoena, the subpoena with the return on it?

Mrs. WATT. I will check the office.

The CHAIRMAN. If it has been returned, the returned subpoena with the return on it, a copy of this may be made an exhibit at this point.

Senator CURTIS. This is the one I had reference to.

The CHAIRMAN. All right. To get the record straight, Mr. Rauh, do you have the letter that accompanied the subpoena?

Mr. RAUH. Yes, sir; I do.

The CHAIRMAN. Would you object to having the letter and the subpoena made a part of the record?

Mr. RAUH. No, sir.

The CHAIRMAN. Do you want to surrender them for that purpose?

Mr. RAUH. Certainly.

The CHAIRMAN. All right. Then, Senator Curtis, this wouldn't be evidence unless Mr. Rauh is sworn, unless you agree that these are the documents. The Chair will so state and then if anyone wants it testified to, that can be done.

As a matter of evidence, it should be sworn to. Will you be sworn?

Do you solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. RAUH. I do.

TESTIMONY OF JOSEPH L. RAUH, JR.

The CHAIRMAN. Mr. Rauh, did you receive a letter, together with a subpoena duces tecum, unsigned, from the chairman of this committee recently regarding the production of certain records in connection with these hearings that had been scheduled or were tentatively under consideration by the committee at that time?

Mr. RAUH. I did, sir.

The CHAIRMAN. All right; have you produced the original letter that you received from the chairman, together with the unsigned subpoena duces tecum that was attached and enclosed in the letter?

Mr. RAUH. I have, sir.

The CHAIRMAN. Are they now in the hands of Senator Curtis?

Mr. RAUH. They are.

The CHAIRMAN. They may be made exhibit No. 16, the letter as 16 and the subpoena as 16-A. All right. Now we have them in the record.

The first subpoena, I will make these 16-A and 16-B, and the first subpoena may be made exhibit No. 16, if you find it.

(Subpenas referred to were marked "Exhibits 16, 16-A, and 16-B" for reference and will be found in the appendix on pp. 20410-20412.)

**TESTIMONY OF RICHARD T. GOSSER, ACCCOMPANIED BY COUNSEL,
JOSEPH L. RAUH, JR., LOWELL GOERLICH, AND FRANCIS RENO—
Resumed**

Senator CURTIS. I have a couple of questions about the subpoena.

Mr. Gosser, you were required to produce all records and receipts and disbursements of any and all flower funds, including bank deposit slips, bank statements, receipts, names of sources, contributors and the amounts contributed by each, canceled checks, journals, ledgers, books of original entry, memos, correspondence, and all other papers and documents pertaining to any and all flower funds under your control or jurisdiction from the years 1940 to date, inclusive.

Have you produced those?

Mr. GOSSEr. Well, the answer to that, Senator, is I never received such a subpoena as you are now reading from.

Mr. RAUH. I can explain it.

Senator CURTIS. Then the other one covers—

and retained copies of all Federal income tax returns, forms 1040 for the years 1945 to 1958.

Have you produced those?

Mr. GOSSEr. I have never received what you are reading.

Senator CURTIS (reading) :

And retained copies of all partnership and corporate Federal income tax returns of Colonial Hardware, 1945 to 1952.

Have you produced those?

Mr. GOSSEr. I can only say that I have never received what you are reading from.

Senator CURTIS. Your attorney has testified that he received this letter, and this subpoena. It is true the subpoena is not signed. For the information of the committee, I might read what the letter says:

DEAR MR. RAUH: With further reference to matters discussed in a telephone conversation this afternoon, I enclose the original three unsigned subpoenas which I directed be prepared for Mr. William Bolman, Mr. Richard T. Gosser, and a subpoena duces tecum for Mr. Gosser as vice president of the UAW. When these were sent over for my signature, Mr. Kenneth O'Donnell of the staff reminded me that there had been an understanding that you, as attorney for the union, and the union would provide any witnesses among union officials and representatives and produce any documents that we desired upon request without a subpoena.

These unsigned subpoenas, therefore, will serve as committee requests to you for the presence of the witnesses named, and the production of the documents described in said unsigned subpoena duces tecum. The documents are to be produced at your earliest convenience, and the presence of the witnesses is called for July 27.

If we find that it is desirable to postpone the hearing of witnesses until a few days later, we will endeavor to advise you in time so that you may be notified and governed accordingly.

Please acknowledge, and thank you for your cooperation.

Sincerely yours,

JOHN L. McCLELLAN.

That was the subpoena duces tecum part which I read.

The CHAIRMAN. All right, Mr. Rauh, the Chair wants to know why this witness hasn't been notified to produce those records.

Mr. RAUH. May I please borrow the document, sir?

(The document was handed to Mr. Rauh.)

Mr. RAUH. On receipt of this letter from the chairman, I contacted Mr. Goerlich, who is familiar with these matters, and went over this entire list with him.

The CHAIRMAN. Who is that?

Mr. RAUH. Mr. Goerlich. I went over the entire list with him. Mr. Goerlich discussed the items and not the documents, but the items, with Mr. Gosser to find out which ones existed.

The flower fund documents existed, and I personally told Mr. O'Donnell that they were available in the Toledo office. I explained to Mr. O'Donnell that there were no documents required under this subpoena, because the subpoena calls for "flower fund documents under your control and/or jurisdiction."

There were no flower fund documents under Mr. Gosser's control and jurisdiction. But in order to make the matter simpler for the investigation, we said that there are some flower fund documents in Toledo, and they are at such-and-such an address, and if the committee would like to see them, they are there.

Subsequently, if the chairman will remember, I reported to the chairman that Mr. Manuel had asked me to bring these flower fund documents down here. I had said that it was my general understanding that the committee looked at things in the offices where they were first.

You asked me to find out if they were bulky. I found out that they weren't bulky and had them brought down, and about 2:30 yesterday I handed them, I believe, to Mr. O'Donnell, and they are now in the possession of this committee.

Senator CURTIS. What years were they for?

The CHAIRMAN. Let me see that subpoena.

Mr. RAUH. I have it here. I needed it to speak from.

The CHAIRMAN. I think that I have something here that will indicate the same as the subpoena. You may look at the subpoena while I find a copy of it here.

Mr. RAUH. Now, with respect to the second item, which was the retained copies of all Federal income tax returns, form 1040 for the years 1945 to 1958, Mr. Goerlich inquired of Mr. Gosser about these and found out that only the most recent were available, and so I suggested to Mr. O'Donnell that it would be simpler to get the whole batch from the Bureau, and I understand that the income tax returns are here and are available.

The CHAIRMAN. Just one moment. Let us clear that.

Are all of the Gosser income tax returns here?

Mr. O'DONNELL. I think Mr. Manuel has them.

Mr. MANUEL. I think I have examined all but one, or rather, I have examined copies of them.

The CHAIRMAN. Now, are there any of those in issue here, or controversy now?

Mr. MANUEL. We cannot photostat the originals, and we have to copy the information from them.

The CHAIRMAN. We all have to do that. I am talking about the returns.

Senator CURTIS. If there is no dispute as to the figures, that is all right.

Mr. MANUEL. I took these.

Mr. KENNEDY. If he doesn't believe what the investigator found out for him, all he has to do is go down to the Internal Revenue Service and examine them for himself.

The CHAIRMAN. Did you get all of the returns now that are called for by this subpoena that you wanted? Do you have all of the information?

Mr. MANUEL. I don't know until I see the retained copies, to see if they compare with it.

The CHAIRMAN. Do you want to check with another member of the staff?

Mr. MANUEL. No, just check the retained copies.

Mr. KENNEDY. Why don't you go to the Internal Revenue Service?

The CHAIRMAN. Aren't they available to you, the originals?

Mr. MANUEL. Yes, they are.

The CHAIRMAN. What I am trying to get at, at the moment, we can argue about whether they are accurate or not later, but I am trying to get at whether this subpoena has been complied with sufficiently to give you what you want regarding income tax returns.

Mr. MANUEL. If they have recent returns, we would like to have those, if they have recent returns.

The CHAIRMAN. Have you brought your original returns?

Mr. RAUH. No, and I will explain why. I told Mr. O'Donnell—

The CHAIRMAN. Now here is what I want to get straight. You had some kind of an arrangement with the staff here in the beginning that you would supply any witness or any document at any time that the committee wanted it.

Mr. RAUH. That is right.

The CHAIRMAN. Now, when it was called to my attention, when I started to issue this subpoena, I tried to honor that understanding by simply calling you and then writing this letter and giving you the subpoena as it would have been issued, or as it would have been signed, with the understanding that you were to comply as if the subpoena had been served.

Mr. RAUH. That is right.

The CHAIRMAN. Is that correct?

Mr. RAUH. Yes, sir.

The CHAIRMAN. Now, I want to find out about these records. I wanted to inquire if now you are satisfied, if you have all you want insofar as the income tax returns are concerned.

Mr. MANUEL. I want retained copies of the originals if they have them, sir.

The CHAIRMAN. I will get those for you, now. What is the difference between those and the copies?

Mr. MANUEL. That is all right; it is the same thing.

Mr. KENNEDY. I don't understand that.

The CHAIRMAN. Now, what is the difference between the original and a copy on file down here?

Mr. MANUEL. We don't have the originals, and we cannot bring the originals over, and we are not allowed to photostat them. The originals are in the Internal Revenue.

The CHAIRMAN. You are not allowed to photostat those?

Mr. MANUEL. No.

The CHAIRMAN. What you want is the copies that he retained, so that you can photostat them?

Mr. MANUEL. No; just to refer to them, and I don't even want to photostat them, but just refer to them.

The CHAIRMAN. You can see these over here. If there is any real reason now, I am trying to find out. I don't want to deny you anything that you are entitled to, but if it is just a difference between looking at the original file down here and a copy that he retained, I don't see what there is to that.

Senator CURTIS. Mr. Chairman, may I suggest at least for the moment we can pass that, and if we run into a problem that there is something we cannot proceed without having, we can do that.

The CHAIRMAN. Now, as we go along here, maybe the Chair does wrong when he tries, but if people say, "I will comply," I try to grant that. I can just refuse everything and issue subpoenas if I have to do it that way, and I didn't want to have to do it that way if there was going to be compliance.

As we go along with this subpoena now, there are several items in here. I want to see what has been met and what has not been met and what we are going to do about it. For the present, then, you are satisfied with the income tax returns subject, for the moment at least; you are satisfied about that, to pass it?

Senator CURTIS. We are willing to pass it, and now that is about individual income tax. Does the subpoena require any income taxes on the Colonial Hardware?

Mr. RAUH. I was coming to that, and I had not finished.

The CHAIRMAN. We are trying to take one at a time. What about that?

Mr. RAUH. If I may summarize up to the moment, the first item was the flower fund, and the subpoena called for no documents, since there were none under Mr. Gosser's jurisdiction or control, and nevertheless, we explained where they were, in the whole area, and brought them in.

The CHAIRMAN. That is the flower fund documents, now?

Mr. RAUH. Yes; secondly, as to the income tax—

The CHAIRMAN. Just a moment now. You are contending that there were no documents of the flower fund under Gosser's jurisdiction?

Mr. RAUH. And control; yes, sir.

The CHAIRMAN. Either jurisdiction or control?

Mr. RAUH. Yes, sir; and I explained this to Mr. O'Donnell, but I said, "To be helpful we have some in Toledo, and you can have them."

The CHAIRMAN. You have to explain to all of us here now. So in the beginning you state that none of the flower-fund documents were under the control or jurisdiction of Mr. Gosser?

Mr. RAUH. Precisely.

The CHAIRMAN. But you did locate them, and whatever jurisdiction they were under, you have produced what you say are all that have been made available to you, at least as attorney?

Mr. RAUH. They are all that are available, because we have checked.

The CHAIRMAN. Well, according to your check, they are all that are available?

Mr. RAUH. You now have, sir.

The CHAIRMAN. And they are in the custody of whom?

Mr. RAUH. I turned them over about 2:30 to Mr. O'Donnell.

The CHAIRMAN. I know. They are in the custody of the committee now, what you turned over, but I am talking about whose custody were they in when you procured them?

Mr. RAUH. They were under the direction and control of the regional director, Mr. Ballard. Who in his office would have them physically, I can't say, but he is the head of the office.

The CHAIRMAN. He is the one that is responsible for them?

Mr. RAUH. Yes, sir.

The CHAIRMAN. And you got from him all that was available and could be produced that this subpoena called for?

Mr. RAUH. Yes, sir.

Senator CURTIS. Now, may I inquire of Mr. Gosser, are you stating that during the period of time requested in the subpoena, you have had no flower funds under your jurisdiction and control? Is that your testimony?

Mr. GOERLICH. Just to get back to those dates, sir—

The CHAIRMAN. Read the subpoena and see what it called for.

Mr. GOERLICH. There is a date on the flower fund.

The CHAIRMAN. From the period 1943 to date, and Mr. Gosser, the question is, Did you have any of these flower-fund records in your control during that period? From that time up to now?

Mr. GOSSER. Well, Senator, I think I would have to answer you in this regard. There isn't any question as to whether I had control over the flower fund in region 2-B in the year of 1943-47, because that is the tenure of my office as regional director. Back in 1949 or 1950, and I am not sure exactly the year, when the employers and the newspapers and everybody decided to have a 2-year fight with me, the Treasury Department came in and the girls in the office, not me, I would not see why there would be a great deal of records kept of the flower fund, but the girls that kept an itemized count of everything, they were turned over to the Treasury Department, and I think that he had them for about 6 months. At that point or so, they returned them to the office, and I tried very hard then, and I hope today I express myself more clearly, that I had nothing to do with either keeping the books and I had no desire for the books to be kept, but the Treasury Department checked them thoroughly, and they raised one question. It was about a \$100 check given to me that I explained was given to a brother by the name of Brother Kitzman during his illness. That is the last I had anything to do with anything.

Senator CURTIS. That is about when?

Mr. GOSSER. That is the last I had anything to do with any of those books whatsoever, and I gave them all to Mr. Ballard, and I said, "They are your baby."

Senator CURTIS. From the date that you referred to, which I am not sure of, you have had nothing to do with any flower fund.

Mr. GOSSER. Should I say that I had a drink off of it? I participated in the conventions?

The CHAIRMAN. The Chair would construe that question to mean if you had any authority or official duty connected with the fund whatsoever, or any responsibility for it.

Mr. GOSSER. Of collecting, or writing checks or nothing.

The CHAIRMAN. Or disbursing the money from it.

Mr. GOSSER. No.

Senator CURTIS. Now, has any part of those funds regardless of the name of the individual who is handling it, been sent up to your office?

Mr. GOERLICH. May I inquire whether Mr. Gosser may make his opening statement sometime before he goes into this?

The CHAIRMAN. I am going to let him make his opening statement, but we want to get this subpoena straightened out. Or do you want to let the man make his opening statement first?

Senator CURTIS. Have we covered everything in the subpoena?

Mr. RAUH. I would like to do it.

The CHAIRMAN. I am willing to do it either way, and I did want to accord him the privilege we accord all witnesses to make an opening statement, but I thought the Senator started off by making some interrogation here about the subpoena. The suggestion is now, and you seem to be willing that we determine about the compliance with the subpoena before we receive his opening statement.

Mr. RAUH. I want to make it clear that we have complied. On the flower fund, we have completed the flower fund now. There were none under our jurisdiction.

The CHAIRMAN. The subpoena also called for Mr. Ballard, under the jurisdiction. There is another subpoena for him?

Mr. RAUH. No, sir.

Senator CURTIS. That was a memorandum request that we transmitted to you covering the flower fund and the custodian.

The CHAIRMAN. This is August 7 that I got this memorandum, that is when it is dated.

Mr. RAUH. This is one back with your letter of July 16.

The CHAIRMAN. On that date, Mr. Ballard was not requested; is that correct?

Mr. RAUH. That is correct.

The CHAIRMAN. All right.

Mr. RAUH. Then on the income-tax return, we said that there were only a few, and that it would be better to get them all, and Mr. O'Donnell informed me that they had them all, and so I assumed that you were satisfied since you had them all.

The CHAIRMAN. Now, we will hold that in abeyance for the moment.

Mr. RAUH. The final item was—

and retained copies of all partnership and corporate Federal income-tax returns of Colonial Hardware from 1945 to 1952.

Mr. Goerlich inquired of Mr. Gosser if he had any of these, and Mr. Gosser told Mr. Goerlich that there were no such documents in his possession, and he did not know whether any existed, but he did not have any, and I so reported to Mr. O'Donnell, and he so, I believe, informed Mr. Manuel.

The CHAIRMAN. Now, then, Senator Curtis, you may interrogate Mr. Gosser regarding the Colonial Hardware documents, and get that settled.

Senator CURTIS. If they say they don't have them, I guess that is the end of it.

The CHAIRMAN. I am trying to get these one at a time.

Senator CURTIS. Mr. Rauh, you received a subsequent communication from the chairman, did you not, that he wanted the custodian of the flower-fund records brought in here?

Mr. RAUH. It was not quite that. The chairman said to me, and I am trying to be accurate, as this was a conversation you and I had last Friday, in which you said that Senator Curtis had asked for certain material, and I said it was out in Toledo, and we had offered to let them see it, and you said, "Find out if it is bulky." I said, "I will try to find out if it is bulky." I found out it was not bulky, and I had it brought right in, and I gave it to you.

I don't believe at any time you asked me to produce anybody. My recollection of last Friday was that you asked me a question: "Is it bulky," and I got the answer, but I got the material, too. We found out it was not.

The CHAIRMAN. The only thing I wanted to produce is this: Sometimes you subpoena the records of the union, and you take a truck maybe to bring them all in here. I just did not want a situation like that. Now, what you have produced here is nothing in the world but a checkbook and some monthly files for the 5 or 6 months of this year. So far as records are concerned, of course, it is practically nothing.

Mr. RAUH. It is all there is.

The CHAIRMAN. You say that this is all there is?

Mr. RAUH. And Mr. Ballard, if here, will so testify.

The CHAIRMAN. Mr. Ballard is the custodian of them, and he is here?

Mr. RAUH. No, he is not here, sir.

Mr. GROSSER. He is in Fancy Farms, Ky., at his family reunion.

Mr. RAUH. I did not understand there was a request for Mr. Ballard.

The CHAIRMAN. Do you want to have him come at once, or do you want a subpoena?

Mr. RAUH. He will come.

The CHAIRMAN. Get a wire off to him and ask him.

Senator CURTIS. Yes.

The CHAIRMAN. Get a wire to him. I thought he would be here, whoever had custody of these records.

Mr. RAUH. There was no request, sir.

The CHAIRMAN. Maybe I did not request it so specifically, and I am not going to sit here and say I did. I work under a very difficult situation, as everyone knows, but I certainly expected the records to be here, and someone to testify to them. We can't cross-examine Mr. Gosser here about records that are not under his control or possession, he says.

Mr. RAUH. We have said many times—

The CHAIRMAN. Here are some meager records produced here of this flower fund, just for the 6 or 7 months of this year. There is no one here to testify that that is all of the records.

Mr. RAUH. Well, he is on a farm someplace, but we will send a runner to try to find him, sir.

The CHAIRMAN. Get him in here tomorrow.

Mr. RAUH. But all I am saying is that we will get him if it is feasible. We have never had a request for him. These are all of the records that are available. But if you want to call a fellow off a farm somewhere—

The CHAIRMAN. What happened to them? I am sure there will be questions about these records, and why they are not kept, and the

sources of the income, and somebody can tell us the truth about the facts. I don't know who it is.

Mr. RAUH. Mr. Gosser has some information about it, and he would be glad to give it. That is, such information as he has.

The CHAIRMAN. Now, I want him here. I honored this agreement, and we all work cooperatively, and I don't want to be put in a hole here because I do it.

Mr. RAUH. Well, we will do our best. He is on a farm where somebody is going to have to go to chase him up by automobile.

The CHAIRMAN. We will proceed.

Senator KENNEDY. May I just ask Mr. Manuel, did you know that Mr. Ballard was in charge of these records?

Mr. MANUEL. I was told by Mr. Rauh that he was.

Senator KENNEDY. What date was that?

Mr. MANUEL. I don't have the date, and I think I have some notes on my desk which indicate it, and Mr. Rauh might have some.

Mr. RAUH. It was 2 or 3 weeks ago.

Senator KENNEDY. Why didn't we get him in then?

Mr. MANUEL. It was a date, Mr. O'Donnell sent me a memo.

Senator KENNEDY. It was the 21st of July, and I have the memo here.

Mr. MANUEL. There was a subsequent memo.

Senator KENNEDY. It says:

The flower fund is under the control of Mr. Ballard, in the Toledo office of UAW and he is available to the committee at their offices.

Now, it seems that when the thing came in the 21st of July, you ought to have subpoenaed Ballard then.

Senator CURTIS. We were relying on the promise that all of these things would be brought in.

The CHAIRMAN. The first request apparently I got about Mr. Ballard then, if he is not on that subpoena, was in a memorandum here of August 7, in which it requested all of the flower-fund records under the control or jurisdiction of Richard T. Gosser and/or the regional director, Charles Ballard. Now, that is the first I received that came to my attention about Mr. Ballard.

Senator KENNEDY. Was there a request for a subpoena?

The CHAIRMAN. I did not issue the subpoena. I phoned Mr. Rauh at 5:28 that afternoon, and I asked him to check and advise me the bulk or volume of these records, and that is a notation that I made on them.

Senator KENNEDY. That is last Friday.

The CHAIRMAN. The question was this. We run into this problem where they say that they will make their records available. I can't move, and I don't want to move, a great bulk of records from somebody's site of business to here unless they are essential. Generally it is worked out for us to go in and our investigators examine such records as they want to see.

Mr. RAUH. Mr. Gosser informs me that he has a general knowledge of this subject, and he would be happy to answer questions about it.

The CHAIRMAN. Let us see where we get to, and if this witness is needed, we can procure him. Maybe the Chair is altogether at fault about it, trying to cooperate and help everybody. Proceed.

Senator CURTIS. What was the question about the opening statement? Did you have an opening statement?

Mr. GOSSEr. Yes, sir.

Senator CURTIS. Have you complied with rule 7, with respect to the opening statement?

Mr. RAUH. It was impossible to comply since we did not know when Mr. Gosser would be called. It was not a possibility, and indeed, sir, as late as this morning you would not tell me.

Senator CURTIS. Mr. Rauh, you never asked me when Mr. Gosser was to appear. You asked me for a list of my witnesses.

Mr. RAUH. I thought it was the same thing, and I am sorry I was imprecise.

Senator CURTIS. You can make any inquiry you want to on behalf of your client, and you are entitled to that information.

The CHAIRMAN. Mr. Gosser, pass up your statement, and I will ascertain whether there is any objection to its being read. If there is, since the rule has not been complied with, we will be governed accordingly. But we frequently waive the rule. Everyone here should be entitled to know what is in it before agreeing to whether it should be read or not.

Mr. GOERLICH. The statement is on the bottom of the exhibit. We have extra copies.

The CHAIRMAN. I want to check the statement to see if it contains something that would be offensive to the committee, or wholly irrelevant and irresponsible to this investigation.

(The documents were handed to the chairman.)

(At this point Senator Mundt entered the hearing room.)

(Members present at this point were Senators McClellan, Ervin, Kennedy, Goldwater, Mundt, and Curtis.)

The CHAIRMAN. In glancing through this, I see nothing wrong with it. If anyone has any objection, as soon as you have had an opportunity to pass on it, we will go into it. It is a self-serving declaration, but we can't deny a witness the right to say, "I am a good fellow."

Senator GOLDWATER. I have no objection to it, but I don't think that it adds or detracts anything from the case, and I would suggest that it be made a part of the record so we can go on with this. It is a recitation of the accomplishments of local 12 and what they have been able to do for the community, and I do not think anyone has any argument with that.

The CHAIRMAN. I say it is largely self-serving, but I am not going to deny the witness the right to say, "I am a good fellow and I have been doing a good job."

Senator GOLDWATER. The hour is going along, and I thought we might save time if we just made it a part of the record.

The CHAIRMAN. Is there any objection on the part of anyone on that?

Senator CURTIS. May I make an inquiry or two about it? If this is received as a part of the record, do you offer it under oath as to its truth?

The CHAIRMAN. He has to do that.

Mr. GOSSEr. I would assume when I took the oath, I suppose everything I say here is going to be the truth and nothing but the truth, so help me God.

Senator CURTIS. When was this prepared?

Mr. GOSSEr. This is about the eighth edition, and they went over it and I have changed it, and this finally came to me this morning.

SENATOR CURTIS. It is prepared with the assistance of your counsel?

Mr. GOSSEr. Yesterday they worked on it. I am the general author of it, Senator, only I did not write the exact words, and I don't have the educational background to do it.

SENATOR CURTIS. We have no objection to its being made a part of the record, and I would hope that Senator Goldwater's request be granted.

THE CHAIRMAN. Would you be willing to print this in the record right now, and let you highlight it any way you desire?

Mr. GOSSEr. Following Senator Goldwater's suggestion, I don't have any great desire to read it. I just hope that each Senator takes the time to read this, and I would like to just say one other thing.

THE CHAIRMAN. Just one moment. Then, with your permission—

Mr. GOSSEr. Could I make one statement first?

THE CHAIRMAN. A Senator can object, because it does not comply with the rules. Now, we are willing to make some concession here to let you get this in the record, and I hope you will make a concession that you will let it be printed in the record and not insist on reading it, and I will give you an opportunity to highlight it and let you make your statement.

Mr. GOSSEr. I said I would subscribe to that suggestion.

THE CHAIRMAN. The statement will be printed in the record at this point, as part of the sworn testimony of the witness, Mr. Gosser. Is there objection? The Chair hears none, and it is so ordered.

(The statement referred to follows:)

Gentlemen, I am here under subpoena in connection with your investigation by some of your committee, its investigators, and others about myself, the stewardship of my office and of Local 12, UAW, in Toledo.

I have been an international vice president of the UAW for 12 years and have been active in the UAW for over 25 years. I helped build and develop local 12 and am proud of the good it has done in elevating the standards of workers in the community, in building a stronger, more progressive Toledo, and in helping shape and build our great international union.

By now, for a labor leader to be summoned to appear before this committee for any reason, reflections immediately are cast upon his integrity. In my case, my appearance here naturally reflects upon the membership and the integrity of the operation of local 12.

Therefore I, believe I should give you some information about the operation and accomplishments of local 12 which I am certain your investigators did not bother to look into on their recent visits to Toledo.

Local 12 had its origin in August 1934, when it was issued charter 18-384 by the American Federation of Labor. At the time, I was a foreman of electricians in Willys-Overland, now Willys Motors, Inc. I helped pass the hat to raise money to get the charter. Because of my activities in behalf of the union, I was demoted to an electrician and later discharged. When the CIO was organized and the United Auto Workers of America founded, our union in Toledo was among the first to be chartered. The UAW charter for local 12 was issued January 1, 1936.

Local 12 is an amalgamated union with members in 78 plants. Units range in size from 5 members at Darling, Inc., and 14 at Hekman's to 4,600 at Willys Motors. It's a democratic organization of workers. Its officers stand for election by secret ballot every 2 years. No contract can be signed until it is ratified by the membership.

Financial reports are mimeographed monthly, distributed at monthly meetings of the local, sent out to unit officers, and copies are available to anyone at the local headquarters. The reports also are printed, in condensed form, monthly in the local's newspaper, the Union Journal.

Local 12 is among the larger local unions in the UAW and one of the largest in the State of Ohio. Because of its strength and solidarity, it has served as a rallying point for all unions in Toledo. Because of this, it has also become the chief target of those antilabor elements who would destroy the union movement in their selfish greed to obtain more and bigger profits from the sweat and toil of their members. These selfish interests were taking advantage of some former local 12 officials who were disgruntled and full of hate because their ambition to obtain or retain office was frustrated by the democratic will of the local 12 membership.

Let us take a look at the good local 12 has done for its membership and the community since its founding. We have prepared an exhibit which we hope you gentlemen will take the time to examine. I would like to touch on some of these achievements briefly. I think it is important to say this, because I am sure your investigators did not bother to check the overall picture or examine the achievements.

Local 12 has through the years fought the good fight to obtain the benefits its members now enjoy. To gain such a simple but basic right as union recognition, some of its members were shot down by the National Guard in the Auto-Lite struggle of 1934. The La Follette committee records are studded with case histories of Auto-Lite and other companies buying tear gas and arms and employing spies and Pinkerton detectives against its workers. I recall these things because it is important to know what local 12 has to go through to understand and appreciate its great achievements.

When local 12 was first organized, wages of workers averaged 35 to 70 cents and hour. Few of the workers owned automobiles and fewer still owned houses. Although bus fares were about 5 cents, many workers walked to and from their jobs because even this was more than they could afford.

Now the majority of our UAW members in local 12 own not only automobiles, but also their own homes. Through the years wages have been brought up to an average of \$2.50 an hour. Our workers through their collective bargaining strength have gained seniority protection, are protected by grievance procedures, and enjoy such benefits previously denied them by their employers as paid holidays and vacation, insurance and hospital-surgical protection, pensions, and supplemental unemployment benefits.

I regret to say that some of our employers with whom we hold contracts have never become reconciled to these gains. They would like to narrow and take away many of these benefits. To do so they would have to destroy our union. Investigations by grand juries and by congressional committees which look not into the full picture but give the public a distorted view supply these antiunion elements ammunition to gain their selfish ends.

You may be interested to know that as of the end of July 1959, local 12 had 3,182 of its members on retirement. Before our union was organized these members would never have been allowed to finish out their productive years. By their middle forties they would have been worn out and cast aside. Included in this 3,182 total are 229 retirees in our area pension plan, most of whom are local 12 members.

I mention this area pension plan for a reason. This is the plan which enables pensions to be paid in our smaller plans by lumping these smaller plants together and spreading the risk and lowering the cost to the individual employers.

Because of our fight for this plan in 1949 to 1951, my character was attacked by a Toledo newspaper and some selfish employers on the grounds I was trying to wreck the economy of Toledo and destroy the community. Much of the derogatory material you have in your files stems from this struggle. Some of the witnesses you have summoned split with the local during this fight for pensions in the smaller plants. Their bitterness has continued and your committee is now offering them a forum to vent their spite. Today the area pension plan has more than \$1 million in its fund and none of the employers who belong to it have been bankrupted. Instead it has made the economy of our community stronger. Even the newspaper in question now says no good can come from raking over old coals.

I want to touch briefly on a few other achievements of local 12. We are proud of them and believe them to be unrivaled. They give the lie to charges of corruption or malpractice in local 12.

For one local 12 operates a summer camp in Sand Lake, Mich., for children. I doubt if any local union in America, UAW or otherwise, duplicates this. I doubt that even an international union can boast of such a facility to give the benefits of camping to children of workers and those who are underprivileged.

This camp with 28 acres and worth, conservatively, in the neighborhood of \$400,000, accommodates 2,250 children a year. Since its inception in 1947 it has given vacations to about some 18,000 children, the vast majority of whom would never have been afforded such an opportunity. The fee until this year was \$15 a week and is now \$20 a week. At that many children who go there can't even afford that and are sent free by our UAW charity funds and by sponsorship of our women's guild of local 12 summer camp.

The largest Christmas party put on in Toledo is sponsored by local 12. It rents the sports arena, the largest indoor hall in the area, and the local plays host to some 9,000 children. The 22d such annual affair will come up next December. At these parties local 12 supplies entertainment and presents toys and gifts, candy and fruit. The money from this comes out of a special fund which is built up by a 5-cent allocation from the monthly dues of members.

Another facility available to local 12 and other union members is our Willys unit diagnostic clinic. I am proud of the part I played in conceiving and founding this clinic. Willys members unselfishly voted to use a retroactive pay raise to buy the land, build the building, and equip it. In lieu of a pay raise they have set aside a nickel an hour to operate it and pay the doctors and staff. Since it opened its doors in July 1955, 16,500 persons have used its facilities.

The clinic offers only physical examinations and X-ray and laboratory work dealing only in preventive medicine. A few years ago members in Willys unit offered the clinic's facilities to all union members in the Toledo area. As a result it now has some 50 to 60 unions affiliated with it with a total membership of more than 150,000 including wives and children who can avail themselves of the clinic's facilities. The cost to Willys unit members and retirees is free. All others pay about 60 percent of the charge which would be assessed in other such facilities in the Toledo area. Retirees are charged only 20 percent. The facilities also now are open to the general public.

To keep its members informed of local 12 and labor activities, local 12 also publishes a weekly 8-page newspaper. Its circulation is about 30,000. About a dozen other local unions in Toledo subscribe, including all the printing unions, the phone workers, oil workers, and retail clerks, among others.

In 1957 this newspaper was acclaimed the best labor publication in the country, winning 9 prizes, including the grand award for editorial excellence, technical superiority, and for its writing and editing. The judges were members of the faculty of the School of Journalism of Columbia University.

The Toledo Blade which so bitterly attacked local 12 and its officers including me in our fight for our area pension plan wrote an editorial in praise of our union journal. After noting that the judges said that the journal's prize winning editorial was a "calm, reasoned approach to and appraisal of a serious situation written with respect for its readers' intelligence and sense of responsibility," went on to say in its editorial:

"Any kind of newspaper which tries to serve its readers in that spirit is striving to maintain the highest standards of journalism, and the success of the Toledo Union Journal in meeting them has brought distinction to this community."

This newspaper, I might add, prints the local 12 financial report each month after it comes out. In this International Labor Press Association competition it also has twice won the community award for promoting work beneficial to the entire area—not just union members. In 1956 the Journal wrote a series promoting Toledo industries and the products they make to give a greater appreciation and promote sales, when possible, of these Toledo-made goods. In 1957 it won the award for sponsoring collection of Ohio sales tax stamps. Proceeds of these stamps when redeemed by the State were used to send needy and underprivileged children free of charge to our local 12 camp.

I could go on at length with what local 12 has done for the community. But let me just add a few more comments on the role we play in the community. I am proud to say I was a founder and have served continuously on our famed Toledo-Labor-Management-Citizens Committee which seeks to promote labor-management relations in the community and which has been credited with considerable success in this area. It has brought adult thinking and responsibility to the community to the field of labor-management relations.

Labor helped found the Toledo Industrial Development Committee to attract new industry and create jobs. I have been a member of this organization which has brought in some 24 plants and created 15,000 new jobs for our workers. Because of our efforts to promote peaceful labor-management relations and attract new industry, several of our Toledo plants have expanded. These companies in-

clude the Spicer Division of Dana Corp., Surface Combustion, Dura Corp., all of which have credited our union with demonstrating the cooperative attitude which made their expansion possible. Other plants, namely Willys Motors and Electric Auto-Lite, to name a few, are in business in Toledo today for the same reason.

We have recognized that our employees must remain in a competitive position in order for us to prosper. When the management laid its cards on the table, we have not hesitated to lay out the facts for our members and to recommend contract modifications for whatever period necessary to restore the economic stability of the company involved.

We are proud that this maturity has salvaged jobs for our members and our community even though some people may attempt to distort or misinterpret our intentions, particularly when not fully reported as is common in an investigation such as yours.

Again, I am one of the nine members of our Toledo-Lucas County Port Authority and the only one named by both the city of Toledo and the county. I have been chosen to serve in these roles of civic responsibility in recognition of the achievements of local 12. Yet my being summoned before your committee, my being investigated on baseless grounds by the New York grand jury can only serve to besmirch my reputation and blacken my character in the eyes of union members and the public alike.

I may point out that a recent article in Newsweek concerning your present inquiry into local 12's affairs is a prime example of the type of mud slinging which often results. I would like to recommend to you an article in the August 8, 1959, Business Week as an example of a comprehensive report on what our union really does.

At this point, since I have read in newspaper stories implications that there is something evil in the UAW flower funds, I would like to point out precisely what these funds are, how they started, and the purpose they serve.

Flower funds, or caucus funds, are nothing more than campaign funds, collected voluntarily by candidates for elective office in our union. There are as many caucus or flower funds as there are candidates for office, local or international.

These flower funds were started because the Communists—whom we defeated in a long and bitter struggle within our union—had huge flower funds. It was clearly necessary that we raise enough moneys if we were to fight and defeat them. These moneys were used—and still are used—for general campaign purposes, rental of halls, campaign literature, and the like.

The UAW always has repudiated the idea that money to conduct a political campaign in our union should be taken from treasury funds of the union. Rather, we believe, such funds should be collected from those who support candidates for office.

Thus, far from being wrong or undesirable, as has been implied, I know—as does anyone who is aware of these funds and their purpose—that the flower fund principle is the only moral and decent method of financing a political campaign in an organization such as ours.

I think it should be said, too, that although your committee was set up to investigate abuses by both labor and management, labor has borne the brunt of your investigations. The headlines that have resulted have failed to convey to the people that where there has been wrongdoing, in nearly all of the cases management is equally guilty.

I want to say finally that I have dedicated more than 25 years of my life to the best of my ability to correct inhumane abuses and exploitations of the laboring men and women in our community. Being attacked is not new to me, local 12, or the UAW. I shall continue to serve the best interests of working people and the total community to the best of my ability, so long as I am able, regardless of attacks by newspapers, employers, or politicians.

The CHAIRMAN. You can now highlight your statement.

Mr. GOSSEr. I think, gentlemen, the thing that I wanted to say mostly was the fact that in the United States of America there is somewhere over 100 international unions, which have on a total average more than 1,000 locals, so I would be safe in saying that there must be beyond 100,000 locals in the AFL-CIO in the United States of

America. I would be obliged to any Senator here that would bring me any information that would show me any one of these 100,000 locals doing more for the dues paying membership in the community than what this local does, and that is why I can't understand why the local itself is under attack.

The CHAIRMAN. I don't know that the local is under attack as such.

Mr. GOSSEr. Every time you bandy its name in the paper, I would think it is under attack.

The CHAIRMAN. You may have that impression, and I am not saying it isn't at the moment.

Mr. GOSSEr. My only thing was that if some Senator here ever finds out where a local is doing more than we are for our membership for their dues dollar, I would be more than glad to hear it, because I happen to come from this local, and I am very proud of it. I have built it from nothing, and I am very proud of it.

The CHAIRMAN. All right. Is there anything further you wish to say before you are interrogated?

Mr. GOSSEr. No; just go right ahead.

The CHAIRMAN. All right, Senator CURTIS.

Senator CURTIS. Mr. Gosser, when did you become president of local 12?

Mr. GOSSEr. I think in the year 1937. I want to say now, I can be off here or there, and I am not that good.

Senator CURTIS. What are the duties of the president of the local?

Mr. GOSSEr. The duties of the president of the local, as of now, or as of then?

Senator CURTIS. As of then, and as of now.

Mr. GOSSEr. Well, I would not know as of now, and I am not president now.

Senator CURTIS. You don't know generally what the duties of a president are?

Mr. GOSSEr. I don't know what all he does, and I know what I did when I was president.

Senator CURTIS. You are not familiar with your organizational setup in the UAW?

Mr. GOSSEr. I am very familiar with it.

Senator CURTIS. Generally what are the duties of the president of the local?

Mr. GOSSEr. Well, they vary. They vary on the size of it.

Senator CURTIS. Well, local 12?

Mr. GOSSEr. Why don't we discuss what the duties were when I was president of local 12, and then if you want to take it further than that, I will be glad to try to help you take it further than that.

Senator CURTIS. Well, what were they?

Mr. GOSSEr. I got up in the morning and I went down to the local, and usually there was some—you are now back in 1937, and we were fighting with the State police, and the National Guards, and paid finks, and Pinkerton detectives and everybody else, and so, therefore, you usually ran into a crisis, and so you went out where the crisis was, and you got somewhere near that, and then you finally went in and you negotiated if you could get the people to sit down at

the table with you, you negotiated an agreement, and the work stoppage stopped, and then you told the fellows that were organizers what other plants to organize, and then maybe around 10 or 11 o'clock that night you wrote on your mail to your secretary how to send it out, and that is what you did in 1937.

Senator CURTIS. As president of the local, you would be presiding officer, would you not?

Mr. GOSSEr. Oh, surely.

Senator CURTIS. Your signature would be required for the conveyance of property, that would be one of your duties, would it not?

Mr. GOSSEr. I would wonder if the trustees in local 12 wasn't a necessity there.

Senator CURTIS. All right. When did you become regional director of the UAW?

Mr. GOSSEr. I think in 1943.

(At this point Senator Church entered the hearing room.)

Senator CURTIS. Did you continue on as president of the local?

Mr. GOSSEr. No.

Senator CURTIS. Did you continue on as president of the Auto Workers Building Corp.?

Mr. GOSSEr. I believe that I did.

Senator CURTIS. Was that in conformity with the constitution and bylaws of the union?

Mr. GOSSEr. I believe there was some question as to whether the president of local 12 should not have been president of the building corporation, yes.

Senator CURTIS. There was some question about that?

Mr. GOSSEr. Yes, sir.

Senator CURTIS. What was the duties of a regional director?

Mr. GOSSEr. Well, the duties of a regional director are to see that the constitution of the UAW is complied with, if he gets a request from a local union for strike authorization, to see that the State and Federal laws are complied with, to forward his information to the international executive board of the UAW, along with his recommendation as to whether there should be a strike or not, and to sit down if there is a strike, and help try to resolve it across the conference table, and if there is a strike going on, to go out to the picket line and help fellows along. If it is necessary to go someplace to meet someone, to go there. Under my regime as regional director, I served on the Labor-Management Citizens Committee which got recognition all over the country, and I think that I spent more time settling other unions' strikes than I did my own.

Senator CURTIS. Does a regional director—

Mr. GOSSEr. Do you want to hear the rest of it, or just—

Senator CURTIS. You were referring to what you were doing in other disputes, and I assumed that was irrelevant to my question.

Mr. GOSSEr. I was telling you what I did as regional director.

Senator CURTIS. I did not ask you what you did, and I asked you what the duties were.

Mr. GOSSEr. Those were the duties.

Senator CURTIS. Well, now, does a regional director have any jurisdiction over the internal affairs of a local union?

Mr. GOSSEr. The internal affairs?

Senator CURTIS. Yes.

Mr. GOSSEr. I did not go very far at school, and so will you tell me what you mean by internal affairs?

Senator CURTIS. I mean the election of officers, the expenditure of money, and getting who would be employees, and officers, and does a regional director have any authority over a local union in that regard?

Mr. GOSSEr. Senator Curtis, I just want to say this to you, that a regional director would not be a regional director any more than you would be a Senator if he was not right in the politics pitching. That is just the plain simple fact.

Senator CURTIS. Is that in conformity with the constitution and bylaws?

Mr. GOSSEr. There is no constitution and bylaws on that, any more than there is in the United States for the Democrat or Republican Party, as to how they get elected. You just go about trying to sell yourself to your constituents and getting elected.

Senator CURTIS. There is nothing in the constitution or bylaws that guarantees local autonomy to a local union?

Mr. GOSSEr. You did not ask me anything about local autonomy. I can assure you in northwestern Ohio, where I was regional director, the local unions had so much autonomy that at times I questioned whether it was autonomy and freedom or whether it was anarchy. That is how far they went.

Senator CURTIS. Did you exercise any control over their receipts and expenditures when you were regional director, and you were regional director in the area, and did you exercise any control over the receipts and expenditures made by local 12?

Mr. GOSSEr. As the normal human being, now being still in an elected office, and recognizing the fact that northwestern Ohio and particularly local 12 is my political base in this union, I have counseled with fellows continuously, and I have done everything I can to make this a model of which I can speak of to sell myself.

Senator CURTIS. Did you ever tell them what they should do?

Mr. GOSSEr. We have always had a democratic vote on anything we have ever done.

Senator CURTIS. Did you ever give them any instructions about the expenditures and receipts of local 12 after you became regional director or vice president?

Mr. GOSSEr. I want to say to you that all of the time I was president of local 12, all of the time I have been regional director, and all of the time I have been vice president, there has never been a time when there has been any expenditure beyond, I think they allow the local that you are speaking of to spend \$25 or \$50 or something like that—in between meetings and otherwise it has always been voted on in a meeting.

Senator CURTIS. Did you exercise authority to OK purchases of local 12 after you became regional director or vice president?

Mr. GOSSEr. That would be hard for me to recollect now.

Senator CURTIS. You don't recall?

Mr. GOSSEr. No.

Senator CURTIS. Now, when did you become international vice president?

Mr. GOSSEr. In 1947.

Senator CURTIS. Who became president of local 12 after you immediately became regional director?

Mr. GOSSEr. I think, but I am not positive, I think Melvin Schultz.

Senator CURTIS. But how long did he serve as president of the local?

Mr. GOSSEr. You have got me there. The records would show, and I don't know whether he served two terms or three terms.

Senator CURTIS. How long is a term?

Mr. GOSSEr. Well, it was first 1 year in our union, and now it is 2 years.

Senator CURTIS. Now what connection—

Mr. GOSSEr. It could have been longer now, and I don't want to be stuck on that one.

Senator CURTIS. The records would show. Now what connection if any did you have with an organization called the Will-O-Land Club, or Will-O-Land Sportsmen's Club?

Mr. GOSSEr. Will-O-Land Sportsmen's Club was started away back in the beginning of the union in the Willys-Overland plant, which is now known as the Kaiser-Willys plant in Toledo, Ohio, where each member paid \$1 a week to be a member.

Senator CURTIS. How many members did you have at the highest membership?

Mr. GOSSEr. I think that you are asking me a question that it would be impossible to answer. I think we strived for around 100-and-some-odd members, but I don't know whether we had them or not.

Senator MUNDT. Can you pull that sound box a little closer to you? We are just getting about every other word.

Mr. GOSSEr. I am very sorry.

Senator CURTIS. Who were the officers of the Will-O-Land Sportsmen's Club?

Mr. GOSSEr. At the very beginning, you mean?

Senator CURTIS. Yes, or I will say at the time of the purchase and sale of the Sand Lake property. Who was president of the Will-O-Land Sportsmen's Club?

Mr. GOSSEr. I am not sure of that, but let us say I was, I think I was, but I am not sure of that.

Senator CURTIS. I believe that you were. The records would so indicate. Now did the Will-O-Land Sportsmen's Club buy the Sand Lake property?

Mr. GOSSEr. I think to clear this up so it does not have to be a question and answer point, I think that I should say that from the dollars collected, Will-O-Land Sportsmen's Club bought this location at Sand Lake. From there they sold it to local 12 for a summer camp, and they bought Will-O-Land Sportsmen's Club in Clare, Mich., and from there they sold it to the local and every person that was a member of this, all they ever got back was what they put in it. If you put \$285 in it, you got \$285 back, and nobody ever even got an interest off their money.

Senator CURTIS. Now the Will-O-Land Sportsmen's Club purchased the Sand Lake property in about November of 1943?

Mr. GOSSEr. If you say so, I would say "Yes."

Senator CURTIS. What was the purchase price?

Mr. GOSSEr. Well, you can refresh my memory, and whatever you say, it seems to me it does not matter but whatever you say is all right.

Senator CURTIS. Would \$9,500 be correct?

Mr. GOSSEr. It could be.

Senator CURTIS. Now at a later time, did the Sportsmen's Club sell the roller rink which was a part of this Sand Lake property to one William F. Davis?

Mr. GOSSEr. We sold it to someone.

Senator CURTIS. And the sales price was \$9,000?

Mr. GOSSEr. It could be.

Senator CURTIS. And that was in about July of 1944?

Mr. GOSSEr. If you say so.

Senator CURTIS. Then in June of 1945, another parcel of the property was again sold to Mr. Davis for \$3,500, which was completed in August of 1948. Would that be correct?

Mr. GOSSEr. I would say if you say that is correct, it is correct, Senator.

Senator CURTIS. Now in other words, you paid \$9,500 for it and sold of two parcels and received \$12,500 for the two parcels; is that correct?

Mr. GOSSEr. If you say so.

Senator CURTIS. Now in buying it in the first instance, when the Sportsmen's Club purchased it, was there some loans obtained from the Willys-Overland Credit Union?

Mr. GOSSEr. If they were, I don't know of them.

Senator CURTIS. You didn't borrow it?

Mr. GOSSEr. As an individual, I didn't make an application. It seems to me, but I could be wrong, I thought the credit union was started after the Will-O-Land Sportsmen's Club. The club was one of the things that help us build the union in the framework; at that time we were fighting Pinkerton detectives and you had to meet in the basements. I don't say what you are saying is not true.

Senator CURTIS. I am reading from the union document which says the purchase of the property was financed by borrowing \$4,000 from the Willys-Overland Credit Union on November 26, 1944. So you paid \$9,500 and sold off two portions of it for a total of \$12,500.

Then did the Sportsmen's Club, which you say had about 100 members, and you were president, sell the remainder of the property to the Automotive Workers Building Corp.?

Mr. GOSSEr. If you say so. My point is that in the end, the union wound up with all of it and the people that had their money invested in it—the records of the court will prove that nobody got more than what they put into it, and they never even got interest on their money, and so to me the figures doesn't seem to mean anything.

Senator CURTIS. They may to us. Is it true that while you were president of the Sportsmen's Club, this club that had about 100 members, you sold to the Automotive Workers Building Corp. the remainder of that property for \$20,000 on May 20, 1947?

Mr. GOSSEr. Yes, and we had a person who is qualified to go into Federal court and testify as to the worth of that, and I think that he gave us a statement that it was worth—

Mr. GOERLICH. Mr. Manuel has the photostats of those appraisals, and I am sure you have them.

Senator CURTIS. I understand.

Mr. GOERLICH. We might have been a little bit better prepared in the proceeding to have all of this information for you had you met with us and told us exactly what you wanted.

Senator CURTIS. I made my request for some things I wanted and I never got them until the hearing started.

Mr. GOERLICH. I handle these cases in the common pleas court, and I am a little rusty on it too because I don't know what you want.

Senator CURTIS. The record will show at a subsequent time there was an appraisal. But the fact remains that you, as the head of a private club, sold this property for \$20,000 to the building corporation which you were also head of. Is that correct?

Mr. GOSSE. If you say so, I suppose it is.

Senator CURTIS. Well, is it?

Mr. GOSSE. I am assuming it is. You have all of the facts here and I have nothing.

Senator CURTIS. Do you deny them?

Mr. GOSSE. I don't deny them, and the point I am saying is I agree with you. I am not denying anything, and when I get to the point where I want to deny something you are saying, you will hear it and understand it very clearly.

Senator CURTIS. Now, who is a member of the Auto Workers Building Corp.?

Mr. GOSSE. Who is a member?

Senator CURTIS. Yes.

Mr. GOSSE. I think the bylaws stipulate that all dues-paying members of local 12 are members of the building corporation.

Senator CURTIS. In other words, the building corporation is the corporation set up to hold the property of local 12; isn't that right?

Mr. GOSSE. That is right.

Senator CURTIS. So the real owners of the building corporation were the members of local 12.

Mr. GOSSE. Yes, sir.

Senator CURTIS. How many members does local 12 have?

Mr. GOSSE. When do you speak of? When do you want me to say?

Senator CURTIS. In 1947.

Mr. GOSSE. Well, that would be quite impossible for me.

Senator CURTIS. Well, did they have 500 members, or 1,000, or 10,000, or did they have 20,000?

Mr. GOSSE. In 1947, do you have the figures there? I am trying to agree with you if you have the figure.

Senator CURTIS. I don't have the figure as to the number of members.

Mr. GOSSE. I would say—and this is a figure that I don't want to say later on I misstated a fact; I am guessing—but I would say it was around, and we could get it from the international files, because we paid per capita tax, but I would think we must have had around 18,000 or 20,000 members.

Senator CURTIS. About 18,000 or 20,000 members?

Mr. GOSSE. I would think that; yes. I could be wrong.

Senator CURTIS. About how many people were at the meeting when they purchased this property?

Mr. GOSSE. When they voted to purchase this property you mean?

Senator CURTIS. Yes.

Mr. GOSSE. Well, I think you ought to say, first of all, instead of asking me the question in that respect, I think that we should say that there was a notice put in the paper, in advance, and there were hand-

bills passed in all of the plants, and everybody that was a member was entitled to come and it is like any other thing, I am sure—

Senator CURTIS. What was the number?

Mr. GOSSEr. Yes, sir.

Senator CURTIS. What did the notices recite?

Mr. GOSSEr. I don't have a copy of them. You have a copy of it.

Senator CURTIS. Did it tell what they were going to buy and for how much and from whom?

Mr. GOSSEr. I don't have that notice, and I can get it for you.

Senator CURTIS. About how many members were present at the meeting?

Mr. GOSSEr. I wouldn't want to quote that. I don't know. You are asking me to go back a good many years and say how many people were at a meeting.

Senator CURTIS. How many did you have at most of your business meetings?

Mr. GOSSEr. You would love to pin me down to a figure, but you are not going to.

Senator CURTIS. You wouldn't give us an estimate?

Mr. GOSSEr. No.

Senator MUNDT. How many does the hall hold at your meeting?

Mr. GOSSEr. I think that the hall that we had would have held—it was the largest hall in the city, if I remember right. I just don't even remember. Sometimes we used local 12 hall and sometimes we used Scott High hall, and sometimes we used the city hall, which is a big hall, and now they have a bigger hall, and now we use that hall sometimes, and it depends on what the occasion is, Senator.

Senator CURTIS. What one were you using back in 1947?

Mr. GOSSEr. This particular year, now you are asking me a question that I come unprepared to say, and I can find out where the meeting was held and approximately how many people were there, but to say it right now, I can't.

Senator CURTIS. Well, it is an approximation, and if you could give us the size of the hall—

Mr. GOSSEr. Usually at a local 12 meeting, at that time, I think there was around 1,000 or 2,000 people showing up, and I think that, but I can be wrong. But it seems to me that there were about that many people.

Senator CURTIS. We have information that the hall only held about 200 where this meeting was held on April 2, 1947, so if it was full, you would have 2 or 3 percent of the membership.

Mr. GOSSEr. Well, if we had it in parlor A of local 12, that would be the smallest hall of all, Senator. I just want to tell you whoever gave you that information doesn't know what they are talking about, and any time you want to come to Toledo, I am sure that you will attest to the fact it will hold around 500 people.

Senator CURTIS. Now, Mr. Gosser, what use was made of this Sand Lake property after it was purchased by the building corporation in behalf of all of the members of local 12? What did you turn it into?

Mr. GOERLICH. In that statement there was a folder.

Mr. GOSSEr. There is a folder.

Mr. GOERLICH. It was made into a summer camp; isn't that the answer?

Mr. GOSSEr. Yes, sir; and I am sorry, you have the folders now, and not me.

The CHAIRMAN. Just a moment. Are you speaking of this folder?

Mr. GOSSEr. No, Senator, the other one. That is the green one. That is local 12 summer camp, the one he is talking about.

The CHAIRMAN. Do you wish to have this made an exhibit to your testimony, so that it can be referred to?

Mr. GOSSEr. That will be very nice.

The CHAIRMAN. This will be made exhibit No. 17.

(Material referred to was marked "Exhibit No. 17" for reference and may be found in the files of the select committee.)

Mr. GOERLICH. Excuse me, it was our thought that the exhibits were attached onto the opening statement.

The CHAIRMAN. They have not been made exhibits. I will make them exhibits if you want them exhibits, just for reference.

Mr. GOERLICH. We would like to have you make them all exhibits.

The CHAIRMAN. This entire batch of pictures, pamphlets that were submitted along with the witness' statement, may be made in bulk exhibit No. 17. Now, then, you may proceed.

Senator CURTIS. We don't know what they are, but there is no objection to them.

Were some retirement farms also purchased?

Mr. GOSSEr. Yes, Senator. This was prior to when our union was successful in getting pensions.

Senator CURTIS. Now, in this retirement farm, there were improvements made on those, were there not?

Mr. GOSSEr. Surely.

Senator CURTIS. In improving this summer camp property and retirement farms, where was the hardware and other supplies purchased?

Mr. GOSSEr. I would think that you would have to ask about 10 or 12 guys, and I think the point that you are trying to get at—Was some of it bought at Colonial Hardware?—and the answer is "Yes," and to what extent I don't know.

Senator MUNDT. Would you not get so far from the microphone?

Mr. GOSSEr. I think he is making an inference that some was bought at Colonial Hardware, and the answer to that is "Yes," but to what extent I don't know.

Senator KENNEDY. Now, are you moving along from the original questions in regard to the purchase of this, or are you coming back to that?

Senator CURTIS. I may come back to it.

Senator KENNEDY. I wonder if I might ask one or two points of Mr. Manuel or of you or the witness in regard to the purchase of the Will-O-Land Sportsmen's Club.

Senator CURTIS. Yes.

Senator KENNEDY. As I understand it, there was suggestion in the interrogation that while this matter had been purchased for \$9,000 and had been sold to the automotive workers group, building corporation, after some land had been disposed of for, I think, around \$12,000, and it had been then sold for \$20,000. Is that correct?

Senator CURTIS. Yes.

Senator KENNEDY. I notice that when there was an investigation of this by the UAW back some years ago, that it was brought out that Mr. Ray Fresse, sales manager of the Swartzbaugh Realty Co., appraised it for \$34,500, and it was appraised by Milo C. Thompson, a real estate appraiser, for \$33,600.

Therefore, the finding of the UAW was that the findings of the appraisers indicated that the Will-O-Land Sportsmen's Club show the Sand Lake property of the Automotive Workers Building Corp. for at least \$13,000 or \$14,000 less than the salable value of the property as of June of 1947.

What I would like to ask is this: Have you been able to develop, Mr. Manuel, that these assessments or appraisals were inaccurate, and whether the price was excessive or not, or whether it was in accordance with the market value at the time it was sold?

Mr. MANUEL. I would like to develop that, if I may, through Mr. Gosser.

Senator KENNEDY. You are going to come back to it?

Mr. MANUEL. It might be a good time because I do have copies of the appraisals.

Senator KENNEDY. We might as well get this question cleared up. I would like to ask Mr. Gosser one question. Did you personally profit from your investment?

Mr. GOSSER. Not one penny, and I got back exactly the money that I put into it—and not with even interest after an 8-year investment. But I would like to add one other question, which you raised, and the reason for that is that this 20 acres was in swamps, and I was quite a lot younger than I am now, and the other fellows were, and we did a work study and we would go up there and we filled in these swamps and put in fills and everything, and we developed this place.

Senator KENNEDY. Perhaps we could develop that, if you wanted to make a point here, whether a profit was made by this group in selling it to a union.

Senator CURTIS. I think that there are two things involved, and one is whether or not as head of the Building Corp., which represented all of the members, some 18,000 or 20,000, he sold from himself to himself, and whether that was proper.

Then there is another question, as to whether it was exorbitant in price. But even if the price was reasonable, I don't believe that it would be contended that it was proper procedure.

Senator KENNEDY. It seems to me that the issues are: First, was the price exorbitant based on the market price; and, secondly, did he personally profit from the deal? That seems to me to be the two questions. I hope you are going to get those answers now.

Senator CURTIS. I would disagree with you. I would think that where the head of a private club representing 100 members sells to another organization of which he is also the head, that that is a serious question of ethics for anyone who is in that position.

Senator KENNEDY. Doesn't it come down to whether the price he sold it was excessive; and secondly, whether he personally profited. It seems to me that is the issue.

Senator CURTIS. I don't think that is the issue at all. Someone in a fiduciary capacity cannot do business with his principal.

The CHAIRMAN. Let us develop the facts, and we can draw our own conclusions later.

Mr. GOSSEr. Could I bring one point up here?

The CHAIRMAN. What I want to do is have you tell the whole story now—as to what the transaction was, and what was involved—and we can draw our conclusions as to whether you should or shouldn't.

Senator MUNDT. Could I ask one question for clarification?

The CHAIRMAN. Did you want to ask me a question?

Mr. GOSSEr. Yes. My point was, and I think that this is important, that all of the people that went into Will-O-Land went into it with a very strong knowledge of the fact that they were going to build a union, and eventually there wouldn't be such a things as Will-O-Land Sportsmen's Club, and out of that would flow the union, because the industrial union flows out of the city of Toledo, Ohio, and the first industrial union strike that was ever had was had in the city of Toledo, and the first bloodshed that was ever shed by people being killed by National Guards was being done there, and the whole concept of Will-O-Land was to do nothing but band people together, to get them closer knitted, so that you could have, let us say for lack of another word right now, something to attract the fellows to that, and everybody understood Will-O-Land would be a nonexistent thing if we ever were victorious, let us say, in our struggle against the employer and the Pinkerton detectives and everybody else.

That is exactly what we have done, and welcome to the point, and there is no such a thing as Will-O-Land.

The CHAIRMAN. All right.

Senator MUNDT. I came in a little late, and you said something about this tract of land which seemed to be involved, and you and the other fellow who owned it being younger then and that you went out into the swamp and developed the place. Was this a piece of property that you owned together with some other fellow?

Mr. GOSSEr. No, this is a piece of property, and this is Sand Lake that he is talking about, where we bought it and it was part of the swampland.

Senator MUNDT. Did I misunderstand you when I heard you say you and the other fellow went out?

Mr. GOSSEr. Myself and the other fellows, and the picture will now show that. This is a great big playground of 15 acres, and that used to be swamps.

Senator MUNDT. I am trying to figure out whether this was a piece of property that you and some other fellow owned.

Mr. GOSSEr. No; this is a piece of property that Will-O-Land owned.

Senator MUNDT. Did you use the word "fellows" plural?

Mr. GOSSEr. Myself, and others, and I said I was younger then, and so were the other fellows, and we went out there and cleared it.

Senator MUNDT. I thought two of you owned a piece of property.

Mr. GOSSEr. No; we sometimes only worked 3 days a week.

The CHAIRMAN. How many were original owners of the property when it was acquired?

Mr. GOSSEr. I think around somewhere between 60 and 80, and I am not sure now.

The CHAIRMAN. In other words, it wasn't three or four of you got together and conspired to handle the transaction?

Mr. GOERLICH. This is a nonprofit or was a nonprofit corporation, incorporated under the laws of Ohio.

The CHAIRMAN. The 60 or 80 were involved in a corporation, and you set up a corporation.

Mr. GOSSEr. As a nonprofit corporation.

The CHAIRMAN. And you went and bought the property.

Mr. GOSSEr. And we incorporated in the State of Ohio, and he filed the incorporation papers.

The CHAIRMAN. You went out there as young men and developed it; is that right?

Mr. GOSSEr. That is right.

The CHAIRMAN. While it was under a corporation that you were all interested in?

Mr. GOSSEr. That is right.

The CHAIRMAN. And you went out there and physically labored and developed it?

Mr. GOSSEr. That is correct, Senator.

The CHAIRMAN. From a swamp into something much improved.

Mr. GOSSEr. That I am very proud of.

The CHAIRMAN. Well, that is what you are testifying to?

Mr. GOSSEr. Yes, sir.

The CHAIRMAN. Now later you sold it. To whom did you sell it?

Mr. GOSSEr. To local 12.

The CHAIRMAN. To the union?

Mr. GOSSEr. With a clear understanding it was for a summer camp.

The CHAIRMAN. You were the head of it and I heard you testify that you didn't make \$1 out of it, and whatever you had put into it, you got back.

Mr. GOSSEr. I didn't even get anything for my labor.

The CHAIRMAN. And you didn't get interest or anything for your labor?

Mr. GOSSEr. That is right.

The CHAIRMAN. Over and above what you originally paid for it, and what the corporation sold it for to the union, what was the difference between what you originally paid for it and what it sold for to the union?

Mr. GOSSEr. Well, eventually, when the last parcel was bought, which was Will-O-Land Sportsmen's Club, which is near Clare, Mich., all the union paid for that was enough so that we each got our invested money out of it.

The CHAIRMAN. What became of the other profits from the sale of it?

Mr. GOSSEr. There was never any.

The CHAIRMAN. It all went to the union?

Mr. GOSSEr. It just went into improving the properties.

The CHAIRMAN. Who owns the property now?

Mr. GOSSEr. The union.

The CHAIRMAN. Well, the union, you say the union profited by all of this work and not you individually; is that what you are saying?

Mr. GOSSEr. Yes, sir.

The CHAIRMAN. In other words, the corporation that originally set it up and bought it, about 80 of you, 60 or 80 of you, you did work on it and you undertook to develop it, and you later sold it to the union; is that right?

Mr. GOSSEr. That is correct.

The CHAIRMAN. Did the union pay more for it than you folks had bought it for?

Mr. GOSSEr. If you take the two pieces of property, the union paid exactly what we put into it, and any other money is what was invested in it in developing it.

The CHAIRMAN. Was there a profit?

Mr. GOSSEr. Positively no.

The CHAIRMAN. In other words, the union got it, although you were the head of the union, and you were interested in the corporation, the union got the property, and according to your testimony, and got the benefit of the individual work that you who constituted the corporation had put into the property.

Mr. GOSSEr. That is correct.

The CHAIRMAN. And you got back and the other fellows, as you call them, got back only the actual dollars that you had put into the original investment.

Mr. GOSSEr. That is correct.

The CHAIRMAN. Now, if there was any profit then, if I understand you, or any enhancement in value or benefit, then the union got it; is that what you are saying?

Mr. GOSSEr. They figured two places was worth over \$1 million and the union has it all, and we have none.

The CHAIRMAN. That is what I am trying to get at. The union profited by what you say went on.

Mr. GOSSEr. That is right.

The CHAIRMAN. Even if you were in a position there of confidence on both sides.

Mr. GOSSEr. That is correct.

The CHAIRMAN. Did the 60 or 70 other people who went in on the original project, and did your union generally know of your interest in that project and was it all open and above board and everybody knew what was happening?

Mr. GOSSEr. Yes, and the one thing that I know is that one person was opposed to us selling it to the union, for just getting our money back.

The CHAIRMAN. One of the original investors?

Mr. GOSSEr. That is right. He is one of the witnesses that you are going to have testify.

The CHAIRMAN. The Chair is going to have to go.

Senator CURTIS. Could I just detain you 1 minute on that? I read from the committee findings of the international executive board action.

Senator MUNDT. Executive board of what?

Senator CURTIS. International board of the UAW, and they investigated this.

The committee finds that a profit of \$23,000 was made by the Will-O-Land Sportsmen's Club in their investment in Sand Lake property. This profit was the result of the value of the property going up, the water level of the lake being adjusted satisfactorily, and due to general inflationary rise in real estate.

Regardless of what it causes, there was a profit to the Sportsmen's Club of \$23,000. Reading on now:

The committee finds that although Richard T. Gosser was president of the Automobile Workers Building Corp., and of the Will-O-Land Sportsmen's Club,

Inc., at the same time while the sale of the property was transacted between the two organizations, it did not result in Richard T. Gosser making a personal profit for himself, and did not result unfavorably to the members of the Auto Workers Building Corp.

Our committee believes that if this property were owned by a corporation other than Will-O-Land Sportsmen's Club, the local union would have been forced to pay a great deal more.

Now, this investigation was made some years later.

The CHAIRMAN. What committee are you speaking of? What committee do you refer to?

Senator CURTIS. Of the international executive board.

The CHAIRMAN. Let me get this identified for my own information. This is what committee?

Senator CURTIS. The international executive board.

The CHAIRMAN. Of the UAW?

Senator CURTIS. Yes, and they investigated this.

The CHAIRMAN. About what was the date of that report? Let us get that.

Senator CURTIS. In 1950.

The committee believes if this property were owned by a corporation other than Will-O-Land Sportsmen's Club, Inc., the local union would have been forced to pay a great deal more for the property than what they eventually purchased it for.

That is the end of that paragraph.

Senator KENNEDY. What does that all prove?

Senator CURTIS. That proves that Mr. Gosser's statement that the Sportsmen's Club did not make a profit is not correct. The committee finds that a profit of \$23,000 was made. Now, they go on further and they say that if it had been purchased from somebody else, they would have had to pay more. But you do disprove Mr. Gosser's statement that no profit was made to the Sportsmen's Club.

Senator ERVIN. Did I understand you to say that Mr. Gosser made no personal profit? I can't follow that.

Senator CURTIS. We will raise some questions on that later. He was one member of a club of 100 that made \$23,000 by selling to himself.

The CHAIRMAN. We will go into that after lunch.

The committee will stand in recess until 2 o'clock.

(Whereupon, at 12:30 p.m. the select committee recessed, to reconvene at 2 p.m. the same day.)

AFTERNOON SESSION

The select committee reconvened at 2:10 p. m., Senator John L. McClellan (chairman of the select committee) presiding.

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at time of reconvening: Senators McClellan, Goldwater, and Curtis.)

The CHAIRMAN. Proceed, Senator Curtis.

Senator CURTIS. Mr. Manuel has something that he wants to offer here.

**TESTIMONY OF RICHARD T. GOSSEN, ACCCOMPANIED BY COUNSEL,
JOSEPH L. RAUH, JR., LOWELL GOERLICH, AND FRANCIS RENO—
Resumed**

Mr. MANUEL. Now, Mr. Gosser, I believe you testified that it was in 1947 that this Will-O-Land sold this property to the building corporation. It was 1947, wasn't it?

Mr. GOSSEN. If you say it was, that is all right.

Mr. MANUEL. Were there any independent appraisals made of the value of this property before the land was sold to the building corporation?

Mr. GOSSEN. So far as I know as an individual, no.

Mr. MANUEL. What do you know as a union officer?

Mr. GOSSEN. Well, now you are speaking of Will-O-Land.

Mr. MANUEL. You are distinguishing between your individual capacity, I presume, and that of a union official. I said, were there any independent appraisals made of this land before your private club sold it to the building corporation?

Mr. GOSSEN. Well, the point that I say is so far as I can recollect, no. I don't see how I can give you any other answer.

Mr. MANUEL. There were none?

Mr. GOSSEN. I wouldn't say it that way. I would say so far as I know.

Mr. MANUEL. I want to hand you what purports to be a copy of a letter dated April 21, 1950, from you to Howard Serine. Now, Mr. Howard Serine in 1950 was president of local 12, was he not?

Mr. GOSSEN. Howard Serine could have been. It was Serine, Holowinsky, and Schultz, and I know Holowinsky is president now, but I don't know what category they followed, and I don't know whether Serine was before Schultz or vice versa.

Mr. MANUEL. I also have here a letter dated June 25, 1959, to me from Mr. Rauh, enclosing certain copies of appraisals, and I would like you to examine those, and see if they are appraisals of this property.

(The documents were handed to the witness.)

Mr. RAUH. The record should show that Mr. Manuel said he was showing Mr. Gosser a letter, but the letter has not been shown.

Mr. MANUEL. I believe I had the wrong letter. I am offering your letter now.

The CHAIRMAN. He said he had a letter, and he didn't say he was showing it. Identify what you have shown the witness and what the witness is supposed to be looking at now.

Mr. MANUEL. Do you see, Mr. Gosser, an appraisal by Swartzbaugh Realty Co., dated January 11, 1950?

Mr. GOSSEN. Yes, sir.

The CHAIRMAN. Is that a photostatic copy of that document?

Mr. GOSSEN. I would assume that that is what it is. It is a copy, as he says, of Swartzbaugh Realty Co.

Mr. MANUEL. Do you see another appraisal there by Milo Thompson, about the same date? That would be in 1950.

Mr. GOSSEN. Yes; it says as of January 7, 1950.

Mr. MANUEL. I would like to make those exhibits, Mr. Chairman.

The CHAIRMAN. The appraisals, photostatic copies of which have been identified by the witness, may be made exhibit No. 18.

Mr. GOSSEr. Senator, I would like to say at this time that to the best of my knowledge this is the first time in my life that I ever saw any of this.

The CHAIRMAN. Well, the question is now, are you identifying those documents, and do you know anything about them?

Mr. GOSSEr. I don't know anything about them.

Mr. MANUEL. Maybe Mr. Rauh can. He gave them to me.

Mr. GOSSEr. As an individual, I know nothing about them.

The CHAIRMAN. It is up to you to identify them and/or not identify them. You do not actually identify it as something that you know about or you are familiar with?

Mr. GOSSEr. That is correct.

The CHAIRMAN. Is your signature on it anywhere?

Mr. MANUEL. I might say, Mr. Rauh gave me those, and sent them to me in the mail.

The CHAIRMAN. Well, Mr. Rauh has been sworn as a witness; if you want to interrogate him about it, you may do so.

I am not trying to be technical about it. You need to have something identified if you want it made an exhibit. The witness here was going along and saying "yes," on the basis of your question and what you said, but he apparently doesn't even recognize the document.

TESTIMONY OF JOSEPH L. RAUH, JR.—Resumed

Mr. MANUEL. Could you identify those, Mr. Rauh?

Mr. RAUH. Yes. Sometime in June you asked me for a considerable amount of material, and I provided all that was available. I had known of these appraisals, and they were given to the staff, I believe, a year or more ago, but I went out to get you another copy, and I called Mr. Goerlich and said, "Can we find another copy of these 1950 appraisals?" and he went and checked, and I believe he found this copy. I believe these are the appraisals.

The CHAIRMAN. Let me ask you, Mr. Rauh, is there any doubt in your mind that those are authentic copies of records of the union?

Mr. RAUH. No, sir.

The CHAIRMAN. This may be made exhibit No. 18.

(Documents referred to were marked "Exhibit No. 18" for reference and may be found in the files of the select committee.)

Mr. RAUH. I would like the record to show, sir, if it may, that the letter that is written with it, and may I just say that I think the record ought to show, that this letter includes the statement that the other material which you requested will be made available to you as fast as it can be obtained.

The CHAIRMAN. That letter may be made exhibit No. 18-A.

(Letter referred to was marked "Exhibit No. 18-A" for reference and may be found in the files of the select committee.)

Senator CURTIS. I think, Mr. Chairman, that the point here of offering those is that the property was sold in 1947, and we will later show that in October of 1949 there was a request on the part of a union member for an audit and that it was after that that these properties were appraised.

Now, Mr. Gosser, coming back to the purchase—

SENATOR GOLDWATER. Will the Senator yield?

What are the dates of these appraisals or these documents?

THE CHAIRMAN. This exhibit shows the letter to be dated June 25, 1959.

SENATOR CURTIS. One is January of 1950 and the other is the early part of 1950.

THE CHAIRMAN. Are there two of them here?

MR. MANUEL. Yes.

THE CHAIRMAN. They should have been separated, but I didn't know there were two of them. One is January 11, 1950, apparently, and the other I can't see the date on.

MR. MANUEL. I think you will find both of them in 1950, Mr. Chairman.

THE CHAIRMAN. They may both have been in 1950, but I don't see the date of the second one.

MR. MANUEL. They are purporting to evaluate this property as of 3 years before.

THE CHAIRMAN. All right.

**TESTIMONY OF RICHARD T. GOSSEY, ACCCOMPANIED BY COUNSEL,
JOSEPH L. RAUH, JR., LEONARD GOERLICH, AND FRANCIS RENO—
Resumed**

SENATOR CURTIS. Now Mr. Gosser, coming back to the purchase of hardware and other supplies for the summer camp and retirement farms, were some purchases made from the G. & S. Hardware?

MR. GOSSEY. Oh, surely.

SENATOR CURTIS. Who were the owners of the G. & S. Hardware?

MR. GOSSEY. G. & S. Hardware was Melvin Schultz and myself.

SENATOR CURTIS. How much money did you put into the hardware in the original instance?

MR. GOSSEY. Could I say that the record—and I am sure you have a record someplace there—will speak for itself.

SENATOR CURTIS. We have a deposition of Mr. Schultz, given back in January of 1951, in which he states that each of you put in \$4,000. That would be correct, would it?

MR. GOSSEY. I certainly would say so.

THE CHAIRMAN. You and Mr. Schultz were the partners and owners of this G. & S. Hardware Co.?

MR. GOSSEY. That is correct.

THE CHAIRMAN. Did you two establish the business?

MR. GOSSEY. Yes, Senator.

THE CHAIRMAN. You put in about \$4,000 apiece, as you recollect, and you established the business.

MR. GOSSEY. That is correct.

THE CHAIRMAN. When was it established—about when?

MR. GOSSEY. About 1947 or 1948.

SENATOR CURTIS. Now, you were regional director at the time, were you, at the time it was established?

MR. GOSSEY. I was either regional director or I became it, because that is right at the point where I got elected.

Senator CURTIS. Schultz is the man who was president of the local?

Mr. GOSSEr. Yes, sir; I believe that is right.

Senator CURTIS. Now, was the name of this hardware store later changed?

Mr. GOSSEr. Yes, G. & S. means Gosser and Schultz, and we changed it to Colonial Hardware.

Senator CURTIS. Now, you have testified that hardware and supplies were purchased by local 12 and the Auto Workers Building Corp. from this store. Who OK'd purchase orders for local 12 and the Auto Workers Building Corp. during the years that they sold supplies to local 12 and its affiliates?

Mr. GOSSEr. I wouldn't say who all did.

Senator CURTIS. Did you?

Mr. GOSSEr. I could have.

Senator CURTIS. And did you when you were regional director?

Mr. GOSSEr. I could have.

Senator CURTIS. Did you give any directions that you were to OK purchase orders?

Mr. GOSSEr. I could have.

Senator CURTIS. Now I am referring to the time when you were regional director and vice president.

Mr. GOSSEr. I couldn't have been regional director and vice president at the same time.

Senator CURTIS. No. Two times I mean. Now, you say you could have given orders or instructions as to who should OK purchase orders when you were regional director.

Mr. GOSSEr. All right.

Senator CURTIS. And would the same be true when you were vice president?

Mr. GOSSEr. It could have been.

Senator CURTIS. You wouldn't deny that it was?

Mr. GOSSEr. I wouldn't say yes or no.

Senator CURTIS. How long a time were you part owner of the hardware store?

Mr. GOSSEr. From its inception until the day it was sold to the local.

Senator CURTIS. What were your profits during that time?

Mr. GOSSEr. There I think that the records that you have from the Treasury Department or either the Treasury Department or Internal Revenue Department ought to speak for themselves.

The CHAIRMAN. When was it sold to the union? I didn't get that. About when was it sold?

Mr. GOSSEr. About 4 or 5 years ago.

The CHAIRMAN. Some 4 or 5 years years ago?

Mr. GOSSEr. Yes, sir.

The CHAIRMAN. All right.

Mr. GOSSEr. Since the union owns it, it can't make money, and when I owned it it could make money. The union buys everything from there.

Senator CURTIS. Now, I have some figures here taken from the Internal Revenue Service that indicate that your income from Colonial Hardware Store was \$4,624 in 1946. Would you dispute that?

Mr. GOSSEr. Senator, I would not dispute any figures from the U.S. Treasury Department, which my accountant turns in and if that is what you are reading, I would not dispute them.

Senator CURTIS. And in 1947, income from Colonial Hardware was \$14,712.65.

Mr. GOSSEr. The same answer.

Senator CURTIS. For 1948, income from Colonial Hardware Store, \$10,108.49.

Mr. GOSSEr. The same answer.

Senator CURTIS. In 1950, dividends from Colonial Hardware were \$100. In 1951, income from Colonial Hardware, \$100.

Mr. RAUH. 1949 was left out.

Senator CURTIS. There was none shown here, and later on there was an assessment made, and that resulted in confusion.

Mr. GOSSEr. Is that when we went from a partnership to a corporation?

Senator CURTIS. It may have been. 1949 does not show, and then later on it refers to a dividend.

Now, did Mr. Schultz receive the same profit from this hardware that you did?

Mr. GOSSEr. I would suggest that you ask Mr. Schultz any questions you want to when you have Mr. Schultz here.

Senator CURTIS. But you were partners in a hardware store, and were you equal partners?

Mr. GOSSEr. I want to say this to you, Senator, so that you will not misunderstand. Not only in Colonial Hardware, but in the union or in the flower fund that you speak of or anything else, I have never handled any of the financial end of it and to make an accurate statement here, I couldn't. I am assuming that Mr. Schultz certainly did the thing proper, and if he didn't he has to speak for himself.

Senator CURTIS. Was it your understanding—

Mr. GOSSEr. I didn't keep any of the books.

The CHAIRMAN. Did Mr. Schultz operate the store or did someone else operate it for both of you?

Mr. GOSSEr. We had three full-time people that operated it, and then we had some part-time fellows from high school and we had the amateur fly-casting champion.

The CHAIRMAN. Were you equal partners?

Mr. GOSSEr. Yes, Senator.

Senator CURTIS. Was it your understanding that you would share in the profits equally?

Mr. GOSSEr. Certainly.

Senator CURTIS. So far as you know, you did?

Mr. GOSSEr. Yes.

Senator CURTIS. To whom did you sell your interest in the hardware store?

Mr. GOSSEr. To local 12.

Senator CURTIS. What was the sale price?

Mr. GOSSEr. The sale price was that local 12's trustees would go in and take an accurate count of every item in there, and then based on what I paid for it from the wholesale house, they would pay me, plus some other figure, I guess for the cash register and one thing and another.

Even though the thing might have been bought 2 or 3 years ago, and worth twice its value, they still only paid me what I paid for it wholesale.

The CHAIRMAN. You say "I." You mean both of you?

Mr. GOSSEr. No, Mr. Schultz at a later date, during the 1949-50 employer and newspaper campaign and everything, I think the best thing to say is that Mr. Schultz came to me one day and said that he couldn't stand up under the pressures and he would like to say that he was not involved, and would I buy his interest and take all of the responsibilities.

The CHAIRMAN. At the time you sold to the union, you owned it all?

Mr. GOSSEr. I owned it all.

The CHAIRMAN. Was it then a corporation?

Mr. GOSSEr. It was still a corporation, and I didn't own it all. Mr. Rath, my accountant, had some shares of stock, and I don't remember.

The CHAIRMAN. Well, you owned substantially all of it.

Mr. GOSSEr. I owned controlling interest by far.

The CHAIRMAN. You were the boss and he was only in there with you?

Mr. GOSSEr. There is no question that I made the decisions.

The CHAIRMAN. All I am trying to do is get a record here so that we can read it intelligently and know what it says.

Mr. GOSSEr. I owned the overwhelming majority of it.

The CHAIRMAN. All right.

Senator CURTIS. When you sold the hardware store, you sold it to local 12?

Mr. GOSSEr. That is correct.

Senator CURTIS. What office did you have in the union at that time?

Mr. GOSSEr. I was vice president.

Senator CURTIS. And you sold it for \$5,500 plus the inventory; is that correct?

Mr. GOSSEr. That could be correct.

Senator CURTIS. Would you say that \$44,720.64 was correct for the sale price?

Mr. GOSSEr. Well, I would say that they paid me, I think, \$7,800 for 5 years, plus the first check, and it is all contained in there, and if you are reading off of my income tax, then you are correct. If you are reading my income tax report, you are correct.

Senator CURTIS. Well, I want to get this straight: You and the president of the local formed a hardware store and you each put in \$4,000, and during this time you admit that you sold supplies to local 12, and to the Building Corp., and supplies for the summer camps, and the farms, and elsewhere. Then in the end, you sold the hardware store to the union for some \$44,000.

Mr. GOSSEr. I just want to add one thing, and I don't want to just say "Yes" to what you are doing, but I sold to anybody who wanted to walk in that door and buy. I was in business and I understand that that is what free enterprise is.

Senator CURTIS. I understand you were in business.

Mr. GOSSEr. Yes, sir.

Senator CURTIS. And you have also said that you could have given orders or directions that you would okay the purchase orders for local 12, that you could have done that when you were regional director and you could have done it during the period you were vice president. You so testified, didn't you?

Mr. GOSSEr. Answering that again, yes, but again answering that as far as I am concerned, you pointed a question at me and I want it very clearly understood that when I opened up that business I opened it with my eyes wide open, and I was willing to sell to anybody that walked in that door to buy.

Senator CURTIS. Did you sell sizable sums of hardware supplies to local 12, and to its affiliates?

Mr. GOSSEr. I think the best answer for you, because you are trying to point at an answer, Senator, is that local 12 now owns that store, and it has owned it for over 5 years and I made a good piece of money off that same store and all local 12 has done is kept even and they wouldn't even keep even if it wasn't my getting my friends to go over there and buy from them.

If you are trying to infer anything as to whether I made some great profit off of the hardware store, that ought to speak for itself, because the local now owns it, and they buy everything that they use in that hardware store, everything, and besides that the international union buys stuff from them, and they are still having a heck of a time paying their help.

Senator CURTIS. That is where they bought their stuff when you owned it and when Schultz owned it?

Mr. GOSSEr. They bought the stuff from me, and they have been buying stuff, and they have owned it for 6 or 7 years.

Senator CURTIS. Before they owned it, did they purchase a considerable amount of merchandise there?

Mr. GOSSEr. I said that they did.

(At this point Senator Church entered the hearing room.)

Senator CURTIS. Now, Mr. Gosser, you had some international representatives assigned to you when you were regional director, did you not?

Mr. GOSSEr. When I was regional director?

Senator CURTIS. Yes.

Mr. GOSSEr. Yes, sir.

Senator CURTIS. How many?

Mr. GOSSEr. Well, I would say from 7 to 11 and I don't want to be pinned right to the point on that, because at various times I was given assignments by the international executive board where I might have had someone else assigned to me temporarily, or I might have been on a drive.

Senator CURTIS. About how many were you assigned during the time?

Mr. GOSSEr. Permanently are you talking about now? I think somewhere around 11 if I am right, but I could be wrong, and maybe it is 13. I would say 11. I think around 11 and I could be wrong.

Senator CURTIS. Who were some of those people?

Mr. GOSSEr. Well, while I was regional director, Cyrus Martin worked for me, and Lloyd Speidell worked for me or a time.

Senator CURTIS. Arthur Peth worked for you?

Mr. GOSSEr. Yes, he worked for me for a time.

SENATOR CURTIS. And Walter Madrzykowswi, Claude Hess?

Mr. GOSSEr. He was never a representative.

THE CHAIRMAN. He was never?

Mr. GOSSEr. He was never an international representative. All he ever was was on the executive committee at one of the plants.

SENATOR CURTIS. Homer Avery?

Mr. GOSSEr. No, all he was, he was chairman of the Willys unit of local 12 after me.

SENATOR CURTIS. Andy Jones?

Mr. GOSSEr. No, you are now reading from a script of members of Sportsmen's Club, aren't you?

SENATOR CURTIS. Yes, and Charles Ballard.

Mr. GOSSEr. Charles Ballard, yes.

SENATOR CURTIS. He is a regional director?

Mr. GOSSEr. Now, yes.

SENATOR CURTIS. Was he then?

Mr. GOSSEr. He could not have been then, if I was.

SENATOR CURTIS. I mean immediately after you become vice president.

Mr. GOSSEr. Yes, he followed me.

SENATOR CURTIS. Robert Cusano?

Mr. GOSSEr. No.

SENATOR CURTIS. What does he do?

Mr. GOSSEr. Robert Cusano, if a person gets hurt in the plant, and there is a contest between our union and the management, he handles the industrial cases before the industrial board in the State of Ohio.

SENATOR CURTIS. And Brian Garber?

Mr. GOSSEr. Brian Garber so far as I know, he is a foreman at the Willys Overland plant, and quite a leading figure in the Republican Party.

SENATOR CURTIS. George Tetsworth?

Mr. GOSSEr. George Tetsworth is an elderly gentleman, who is about 72 years old, and now retired and living near St. Petersburg, Fla.

SENATOR CURTIS. How was he connected with the union back there?

Mr. GOSSEr. He was on a committee in the Willys plant.

SENATOR CURTIS. Now, those were the organizing committee of the Will-O-Land Sportsmen's Club.

Mr. GOSSEr. I think those were the first fellows that agreed to form this club.

SENATOR CURTIS. Plus you and Mr. Schultz.

Mr. GOSSEr. Well, I assume if you are saying that, you have the sheet, and I don't have it.

SENATOR CURTIS. That was the organizing committee, and if one of them dropped out, the remaining number could fill the number of the organizing committee; isn't that true?

Mr. GOSSEr. I don't remember that, but that could have been true.

SENATOR CURTIS. Did this Sportsmen's Club also provide for a death gratuity to the beneficiary of its members?

Mr. GOSSEr. I think now that you mention it, didn't they provide \$100 or something like that, and I don't remember, but it seems to me some small token.

SENATOR CURTIS. Based upon the number of members.

Mr. GOSSEr. Maybe that was it.

SENATOR CURTIS. That is the concern that we were talking about earlier, that made the \$25,000 on the sale of the Will-O-Land Sportsmen's Club to the Auto Workers Building Corp.; isn't it?

Mr. GOSSEr. No, I don't see how you can say that at all, because when you talk about the sale of Will-O to local 12, you are only talking about half of the transaction, Senator. Let me try to explain that at the point, and as I told you before, we were trying to form a union, and in the old days it was really hard, and we started and we had the union started, but we felt this would give it a lift. Then we bought this piece of property, and we formed this club, and we bought this piece of property. At the point we sold this piece of property to local 12, the money that we obtained, the \$25,000 that you keep talking about, we then turned around and bought Will-O. It is now existing, and it is 1,900 acres, about 22 miles outside of Clare, and it is a wonderful place to fish, if you want to go up there some time. We then bought that piece of property, and then we turned around and sold that piece of property to the union, and now the union is established and everybody accepts the union, and that is practically everybody accepts that the workingman has a right to have a union if he so desires.

THE CHAIRMAN. Let me see if I can follow you there. You sold the first Sportsmen's Club property, half of it; is that right?

Mr. GOSSEr. That is all we had at first, was Sands Lake.

THE CHAIRMAN. What is that?

Mr. GOSSEr. All we had first was Sands Lake.

THE CHAIRMAN. All right. You sold that to the union?

Mr. GOSSEr. That is right.

THE CHAIRMAN. For \$23,000?

Mr. GOSSEr. Whatever the price was: yes, sir.

THE CHAIRMAN. I think that hat is what it is. Then you took that money, you men, you and the fellows—

Mr. GOSSEr. That is right.

THE CHAIRMAN. And you bought the other property.

Mr. GOSSEr. That is right.

THE CHAIRMAN. What did you name that?

Mr. GOSSEr. Willow Sportsman's Club.

THE CHAIRMAN. And you bought that with the \$23,000?

Mr. GOSSEr. That is right.

THE CHAIRMAN. Now you sold that then to the local?

Mr. GOSSEr. To the local for the amount of money that each one of us had in it.

THE CHAIRMAN. What is that?

Mr. GOSSEr. What each one of us fellows had in it. For instance, maybe one fellow was in from the start, and so he might have had \$285, and another brother might have come in a year later, and so he had that much less, because we paid \$1 a week, and so therefore you got exactly out of it what you paid into it.

THE CHAIRMAN. Then the first sale you did not get enough out of it, then, to pay everybody, or did you?

Mr. GOSSEr. Oh, yes, we would have got enough to pay everybody, but we also wanted to have the second spot, which was one place.

THE CHAIRMAN. It was the same fellows, you bought the second piece of property?

Mr. GOSSEr. Yes; that is right.

The CHAIRMAN. Now, later you sold that to the union?

Mr. GOSSEr. That is right.

The CHAIRMAN. And in selling that to the union, you contend that you did not get any profit at all, but only enough to reimburse the fellows who had started the whole project from the beginning?

Mr. GOSSEr. The records will show that.

The CHAIRMAN. That is what you are testifying to.

Mr. GOSSEr. That is right.

The CHAIRMAN. I am trying to get this thing straight, so that we can understand whether you are saying there was a profit made out of it, or there absolutely was no profit, and after all, what you did really finally resulted in benefit to the union.

Mr. GOSSEr. Senator, you are saying it positively correct, and I am saying to you that no individual got any profit out of it.

The CHAIRMAN. I am not agreeing with you or disagreeing with you, but I am trying to make a record to say what you are trying to say.

Mr. GOSSEr. You are saying it correct. That is what I am trying to say.

Senator CURTIS. To get this straight, the committee of the executive board did find that there was a profit of \$23,000 when the Will-O-Land Sportsmen's Club sold the Sands Lake property to the Auto Workers Building Corp.

Mr. GOSSEr. Now, Senator—

Senator CURTIS. That is correct; isn't it?

Mr. GOSSEr. Yes.

Senator CURTIS. What did you do with the \$23,000?

Mr. GOSSEr. We bought the other piece of property in Clare Lake.

Senator CURTIS. Then you sold that piece of property?

Mr. GOSSEr. We sold that to the union.

Senator CURTIS. What was the sales price?

Mr. GOSSEr. Just exactly what everybody had in it, and it was a very low price.

Senator CURTIS. How much was it?

Mr. GOSSEr. I would think that you have the witness outside who can tell you that closer than me. Schultz I see out in the hall, but I would assume that it would be a very small sum of money. The thing I think that you ought to understand is this, that when the international executive board put out that report, that was when people who, for instance, Cyrus Martin, who was discharged from his job and he made a complaint along with other fellows, and so did Speidell and the rest of them, and this is how this thing happened. They then made protest to the international executive board and the international executive board investigated it. Now, since the final analysis of the thing, those fellows have gone and nobody has been a sorehead for lack of a different word, because they could not have their way, and nobody has ever gone back to the executive board and asked them to investigate it.

Senator CURTIS. I am asking you now to provide the amount of the sale price.

Mr. GOSSEr. I would certainly say it is somewhere between ten and twenty-five thousand dollars, but it is hard for me to tell you how many years each person was in, and how many weeks each person paid.

But it seems to me that you can ascertain that, and I don't want a figure to stand there, and you can ascertain that from the local's records. They had to give a check and there is a photostat by the bank, and we can get it for you.

Senator CURTIS. All right, you do that. Will you do that?

Mr. GOSSEr. Surely. The important thing I am trying to say is that all anybody got back was what they put into it, and they didn't get their interest or did not get paid one penny for work they did at the summer camp, or at the new place in Clare, where now the elderly people go and enjoy themselves, too.

Senator CURTIS. You said that the sales price was somewhere between ten and twenty-five thousand dollars.

Mr. GOSSEr. It could have been more. I will call and get it for you, and give you the actual facts. I am saying only one thing, that everybody got back every dollar of their own that they put in it, and no more.

The CHAIRMAN. Would you say in that connection, if I may interrupt, would you say that none of you made a profit out of it?

Mr. GOSSEr. None of us made a profit, and none of us even got interest on our money.

Senator MUNDT. Is it your testimony, Mr. Gosser, that this statement then appearing in the reports and summary of the international executive board action in the Toledo situation dated June 9, 1950, in which they say that the committee finds that approximately \$23,000 was made by the Will-O-Land Sportsmen's Club, Inc., in their investment in the Sand Hill property—would you say that statement is false? It has to be false or right.

Mr. GOSSEr. I think that you are now reading to me of a transaction on this particular point. The only thing that was before the international executive board was the local 12 summer camp at Sand Lake, and nothing else was before the international executive board, and so therefore it did not go into the other point.

Now, if you want to go back to the international board and let them investigate the other part of it, I am sure that they will come up with the facts. If I am not positive of anything else, I am saying under oath I am positive that nobody got a penny more than what they put in, and they did not even get interest, and nobody made a profit.

Senator CURTIS. Would you yield for a question right there? Is it your contention that the taking of this \$23,000 that they say was a profit, although they hold you did not personally get it, and you purchased another property which later was sold to the union, and was the purchase of this other property and the sale to the union after this investigation?

Mr. GOSSEr. No, as to the purchase of this other property, we sold Sand Lake to local 12 because we wanted a summer camp, and we believed we should have two things. The summer camp for the kids to go to and a place for the older folks to go on vacation, too, and fish and swim, and we sold the one place to buy the other place.

Senator CURTIS. Now, you bought the other place after this investigation?

Mr. GOSSEr. No.

Senator CURTIS. It was not mentioned in the report.

Mr. GOSSEr. We bought it, I think we bought it right at the time we sold the summer camp.

Senator CURTIS. When did you sell it to the union?

Mr. GOSSEr. At the end or right around during the investigation.

Senator CURTIS. During the investigation?

Mr. GOSSEr. Or at the end of the investigation.

Senator CURTIS. I think that probably clears it up.

Coming back to your international representatives, you have some international representatives assigned to you as vice president, don't you?

Mr. GOSSEr. Yes, sir.

Senator CURTIS. How many?

Mr. GOSSEr. We have had a couple of layoffs. I would think about 70.

Senator CURTIS. How many do you have now?

Mr. GOSSEr. Seventy. I thought that is what you were asking me.

Senator CURTIS. Were these international representatives assigned to you under the regional director, and later on while you were vice president, and were they required to perform work on the summer camp, and on the farms?

Mr. GOSSEr. Well, I want to say this, Senator, and I want to make sure I weigh my words very carefully, so that they are not misunderstood by anybody.

Senator CURTIS. What is that?

Mr. GOSSEr. I want to make sure I weigh these words so that they are not misunderstood by anybody. Even up until now, when the spring of the year comes, and we open up the summer camp, it would be very costly, and not all of the fellows, but the fellows from that district, including myself, go up and put on our overalls and we go to work for a few days.

Senator CURTIS. Did you require your international representatives assigned to you to go up there?

Mr. GOSSEr. I could not say "No" to that. Yes.

Senator CURTIS. Who paid their wages while they worked at the summer camp?

Mr. GOSSEr. Who paid their wages while they worked at the summer camp?

Senator CURTIS. Yes. Or on the farms.

Mr. GOSSEr. It depends on whether they were working for the local union or where they were working.

Senator CURTIS. I am talking about the international representatives.

Mr. GOSSEr. The international.

Senator CURTIS. Suppose they did not show up there; were they assessed a fine?

Mr. GOSSEr. Yes.

Senator CURTIS. How much would that fine be?

Mr. GOSSEr. I would not remember that.

Senator CURTIS. Do you have any idea?

Mr. GOSSEr. No; not right now.

Senator CURTIS. Would it be as much as \$12.50 a day?

Mr. GOSSEr. It could be whatever they drew a day. I felt they were supposed to work the same as I was. I showed up and I felt they should.

Senator CURTIS. To whom were those fines paid?

Mr. GOSSEr. I think that those fines went into a fund.

Senator CURTIS. A flower fund?

Mr. GOSSEr. I would not want to say that, Senator.

Senator CURTIS. It is true, isn't it?

Mr. GOSSEr. No; it isn't.

Senator CURTIS. They were not paid into the flower fund?

Mr. GOSSEr. I would say what fund they went into because it seems to me that most of the money which was derived there went in the summer camp to buy boats and various things like that.

Senator CURTIS. Now, I am asking you—

Mr. GOSSEr. Some of it could have gone into the flower fund, but you are now asking me to recollect exactly what happened to every penny.

Senator CURTIS. Oh, no; I am asking you if you assigned international representatives to work on the farms, and if they did not show up, whether or not you fined them.

Mr. GOSSEr. I told you very clearly, yes, and I am very proud of it, and I am not ashamed of it.

Senator CURTIS. Now, into what fund did those fines go?

Mr. GOSSEr. I am not sure what all funds were, but I am sure that some of it went into the summer camp fund.

Senator CURTIS. Did any of it go into the flower fund?

Mr. GOSSEr. It could have.

Senator MUNDT. It would seem like you would know, if you assessed the fines, you would know where they would go.

Mr. GOSSEr. Senator, you would be surprised what little I know about the finances of this union.

Senator MUNDT. I don't doubt that; that is a big operation. But this is something that you undertook to do, and you assigned men to work with you on the farm or the project or whatever it was, and you told them to show up or else "we will dock you a day's pay," and in the nature of a fine.

Mr. GOSSEr. I could even give you a better answer than that, Senator. I went up there and worked myself, and I made sure that they showed up, but there is none of them can say that they ever paid the fine to me.

Senator MUNDT. I am not trying to establish that, but I am trying to establish when you assessed the fine, you knew where it was going.

Mr. GOSSEr. It went to some girl in the office and I am sure it didn't go to me.

Senator MUNDT. But the girl in the office didn't make the fine.

Mr. GOSSEr. The fellows themselves, in meetings, and there are a lot of meetings I didn't attend because you want to remember that I don't just settle and do all of my work in the city of Toledo, Ohio, and therefore there are many times that I am absent that the fellows make a decision, that they are going to do this or they are going to do that or they are going to do something else.

The latest decision that I know of, 3 years ago they made a decision that they would give toys to all of the kids in the crippled children's home, which I thought was very good, but I wasn't there.

Senator MUNDT. Are you telling me now and telling the committee now that the fine was assessed on a majority vote of a meeting of some people or that you assessed the fines?

Mr. GOSSEr. I want to say right now that the international representatives set the fines and the international representatives set all of the decisions as to how the money would be spent, and the international representatives always made every decision so far as how the money in the flower fund would be spent.

Senator MUNDT. Then there must be some record, since it was done in a meeting, and can you supply for the committee the record of where they decided by vote to turn over the money in the fines?

Mr. GOSSEr. It seems to me that that record and all of the other records that I know of were gone over completely by the Treasury Department, and I don't know for sure.

You are now asking me to go on back and you are asking me to go on back and into my presidency, and I think at this time first of all our constitution compels us to keep a copy of every record of every dues-paying member, plus everything we send out.

You have a copy of our building there, and it is a very big building, and we have about five rooms plus the garage and everything else filled up with records, and I know on three different occasions we have taken out the old records, the fellows have. Where they stand on the records right now I wouldn't know, Senator.

Senator MUNDT. You haven't destroyed the records, have you?

Mr. GOSSEr. I haven't destroyed anything. I have never had them.

Senator MUNDT. I mean the records would be available?

Mr. GOSSEr. I would assume that they certainly had destroyed some of the records, and our international union gives the right to the secretary-treasurer and the international executive board gives you the right to destroy your records, back to a certain time.

Senator MUNDT. You are telling us then that you don't know what happened to the fine money?

Mr. GOSSEr. I have told you about what I thought, but I don't want to be clear and concise on every point.

Senator MUNDT. Do I understand that your statement is then part of it went into the flower fund, and part of it went into a fund to buy boats and equipment at the resort?

Mr. GOSSEr. I would think that that is where it went.

Senator MUNDT. You don't know how it was divided?

Mr. GOSSEr. I would think that is where a good deal of it went. It would seem to me it would be in the records, and he must have it, because I cannot believe that the Treasury Department who spent over 7 months in that local union going over all of these records didn't do a very good job.

I wouldn't even doubt if they don't have photostatic copies of all of this.

Senator CURTIS. Now, Mr. Gosser, who turned the flower fund records over to the Treasury Department?

Mr. GOSSEr. I did.

Senator CURTIS. Do you stand by your statement this morning that there has been no flower fund under your jurisdiction and control?

Mr. RAUH. Now, wait a minute. I object to that question, and he never said that this morning, and he made very clear this morning that during the earlier period when he was the regional director, they had been under his control, and that subsequently he didn't. Senator Curtis is trying one of these businesses now.

The CHAIRMAN. Just a moment, and let the witness answer. He can remember what he said this morning. I don't recall the detail of it.

Mr. GOSSEr. First of all, I want to make it very clear I told you that when we had this big hassle over the area pension plan, that all of the employers pooled \$1 per employee per head, and they went into a very nasty mudslinging campaign, where the newspaper joined hands with them, and where the insurance companies joined hands with them, and where they had over 100 insurance investigators in that town.

Senator CURTIS. That is interesting, but——

Mr. GOSSEr. You asked me a question.

Senator CURTIS. Whether or not you had control or jurisdiction of any flower funds.

Mr. GOSSEr. I am going to answer the question the way I answered it this morning, and I am only adding a few things to it, and I am going to make that point.

At that point, I do not argue the point at all that I was, let us say, I do not deny having some jurisdiction over them, although I don't remember them. When the fellow from the Treasury Department came over and asked me if we had flower-fund books, I told him "No," and I told him that "No" three times, and I even said, "Are you silly?" When he left, I asked the girl, and the girl said, "Sure, we have them," and she brought them in and showed them to me, and I immediately called downtown to the Federal Building, and I told him we had the books, and he came out and got them, and he took them. I am not sure how long he had them, but he had them for a long time.

Now, at the time he gave them back to me, I said, "Here is everything, and I am done," and that is exactly what I said this morning.

Senator CURTIS. Now, I want to get the record straight and I don't want to put words in your mouth.

Mr. GOSSEr. That is back in 1949 or 1950.

Senator CURTIS. Did you have jurisdiction and control of any flower fund when you were regional director?

Mr. GOSSEr. Oh, sure. How would I be regional director without having control or some control? How would you be a Congressman without having a flower fund, or a Senator without having a flower fund, or a political fund?

Senator CURTIS. Did you have a flower fund under your jurisdiction and control, and do you have one as a vice president?

Mr. GOSSEr. Well, it seems to me that about a year ago, the international president told you quite clearly about our international flower fund. It would seem to me that you could take your own minutes that you have here, and if you want to call in the fellow that he told you to call, it seems to me he can give you all of the answers. I can tell you that my name is not on any part of it, and I realize that we have it, and I am for it. As far as I am concerned, I am for reelection, and this is a political fund, and there has been at different times, this fund has been used for different things, and at one time when we were fighting the leftwing element in our union, it was a very serious thing and we needed it very badly, and it was a matter of whether we went into the union funds or not. Long before anybody else, I have always challenged one point, as to whether union funds

should be used for anything except that which would derive benefits for the people that pay the dues. I have never in my life done otherwise than that.

Now, as far as the flower fund is concerned, sure, for the campaign literature, and if you want to elect a delegate to a local union or anything like that, I am guilty of it and so are you guilty of having something like that. You certainly have to advertise yourself to get elected.

Senator CURTIS. What is the answer to my question? As an international vice president, have you and do you now have a flower fund under your jurisdiction and control?

The CHAIRMAN. I think that you should answer the question. I am very indulgent, but I don't think that your last answer was responsive.

Mr. GOSSEr. How would you say that? There is a flower fund, but how do you say jurisdiction and control? I don't have any control over it, and I don't sign the checks and I don't take the money in. If they decided now, like at the skilled trades conference, we had a cocktail party and I said, "We are going to have a cocktail party tonight for all of the delegates and their wives, and the flower fund is going to pay for it. If you are adverse to the flower fund, don't come."

But I don't myself as an individual, Senator, have control over it.

The CHAIRMAN. If there is such a fund somewhere, where is it?

Mr. GOSSEr. There is such a fund in international headquarters.

The CHAIRMAN. Someone has authority over it.

Mr. GOSSEr. Each officer has.

The CHAIRMAN. Someone has control of it, that is, to make an accounting for it and to keep the money, and to write checks on it, and to receive the funds when they come into it. Now, who has that?

Mr. GOSSEr. Each international officer, and there are six of us, appoints one of our administrative assistants, and in my case it is Walter Madrzykowski.

The CHAIRMAN. Those six have jurisdiction of the fund?

Mr. GOSSEr. That is right.

Senator MUNDT. Are you talking about six separate flower funds, each international officer has his own?

Mr. GOSSEr. No; it is a national flower fund.

The CHAIRMAN. You have six that are really custodians or trustees of that fund, is that what you are saying?

Mr. GOSSEr. Yes.

Senator CURTIS. Now, is there a flower fund subject to your jurisdiction and control as vice president?

Mr. GOSSEr. Well, with five other fellows, I could not say it is subject to my control. I am one-sixth of "subject to control," if you want to put it that way.

Senator CURTIS. What position do the other five hold?

Mr. GOSSEr. Well, there are five other vice presidents, and there is a secretary treasurer, and there is a president.

Senator CURTIS. Now, where is that flower fund located?

Mr. GOSSEr. In Detroit, Mich.

Senator CURTIS. Are all receipts and all contributions made to it by check?

Mr. GOSSEr. I would assume not.

Senator CURTIS. Are all disbursements made by check?

Mr. GOSSEr. I would assume not to that. I don't receive any of the money and I don't pay any of it out.

Senator CURTIS. Now, where is your office, your Toledo office, in what building?

Mr. GOSSEr. 425 Winthrop Street, Toledo, and it is not really my office. My office is at 8000 East Jefferson Avenue, the local union is there, and it is my local union.

Senator CURTIS. Where do you have office space?

Mr. GOSSEr. 8000 East Jefferson Avenue, Detroit, Mich.

Senator CURTIS. I mean in Toledo.

Mr. GOSSEr. 425 Winthrop Street.

Senator CURTIS. What building is that?

Mr. GOSSEr. That is local 12's building.

Senator CURTIS. On what floor are you?

Mr. GOSSEr. On the fourth floor.

Senator CURTIS. Where is Mr. Ballard's office?

Mr. GOSSEr. On the fourth floor.

Senator CURTIS. Now, are there any flower funds collected or paid and brought to your office on the fourth floor of this building in Toledo?

Mr. GOSSEr. To my office, you mean? No.

Senator CURTIS. Whose office would it go to?

Mr. GOSSEr. You would have to find that out. Just how they handle the region 2-B flower fund, that is what that is in our union, there are so many districts, and they are numbered like 1, 2, 2-A, and 2-B, and that is 2-B.

Senator CURTIS. There is a flower fund that is collected, and the funds end up where?

Mr. GOSSEr. There is a flower fund in every region; yes.

Senator CURTIS. And it ends up on the fourth floor of this building?

Mr. GOSSEr. I don't know where it ends up.

Senator CURTIS. You don't know?

Mr. GOSSEr. No.

Senator CURTIS. Did it end up there when you were regional director?

Mr. GOSSEr. As I told you this morning, when I was regional director, I played my politics, and it sure ended up there, and I sure made friends with everybody. I wanted to get elected, and I started as a worker, and I got elected as a vice president, and so I must have had some intent and purpose in what I was doing.

Senator CURTIS. When you were running, was there a complete record of every donation to it?

Mr. GOSSEr. When I was running for office?

Senator CURTIS. When you were running the flower fund, was there a complete record of every donation made to it?

Mr. GOSSEr. I just told you that they had the most elaborate set of books you ever saw in your life, or so I am told, and I never looked at them.

Senator CURTIS. Were you to get in touch with Mr. Ballard who can bring them in?

Mr. GOSSEr. No.

Senator CURTIS. What report do you have about it?

Mr. GOSSEr. I told you Mr. Ballard comes from Fancy Farms, Ky., which is outside of Paducah, and they are having a family reunion there, and he is someplace down there, and there isn't even a phone down there. If you want him, the best we can do is get somebody on a plane or an automobile and start trying to find him.

Senator CURTIS. You have not contacted him since the chairman remarked about it this morning?

Mr. RAUH. Excuse me. This was left open this morning, and there was never the slightest suggestion of contacting him, Mr. Ballard, this morning, as I recall.

The CHAIRMAN. He is asking you whether you have contacted him or not. The Chair this morning got the impression that it was very important that Mr. Ballard be here and testify, or whoever was custodian of these records, and I propose to have him here if anyone wants him. Now, I am not in any hurry, and I did immediately say get him here, because I thought we wanted him immediately. Now, as soon as it is determined definitely that we want him, then I would ask you to get him here with all reasonable speed. Whenever you determine you want him, I will order him produced.

Senator CURTIS. I thought you gave that order this morning.

The CHAIRMAN. Tell me now, do you want him?

Senator CURTIS. Yes.

The CHAIRMAN. Proceed to get him here at the earliest convenient time. I am relying upon you now that he will come without waiting for a subpoena to be served on him.

Mr. RAUH. We will get him here at the earliest convenient time.

The CHAIRMAN. When I say "convenient time," I don't want him to get on a horse and ride day and night, but taking into account transportation that is available, and so forth. Otherwise, I would issue a subpoena for him, but you have said that you will get him here if we need him. Is that understood now, and we will have no more further questions about it, and you are going to get him here?

Mr. RAUH. Just one moment.

Mr. GOSSEr. I think that I can answer any question that might pertain to that. He has not asked me do I know of it. He is always directing the question, unless I misunderstood the Senator, on the basis do I control it. I think that I can answer any question that he might want to know about the region 2-B flower fund without getting Charley Ballard, if he wants to direct the questions to me.

The CHAIRMAN. Do you want to pursue that a little while? I am ready to do it any other way.

Mr. GOSSEr. Charley has been somewhat sick and he has lost about 50 pounds, and unless it is a real urgent thing, I don't see any reason for pressing it.

Senator CURTIS. If you know, where are the records for the flower fund of region 2-B for the year 1958?

Mr. GOSSEr. They have them here.

Senator CURTIS. For 1958?

Mr. GOSSEr. In 1958, I would assume in 1958 they are here.

Senator CURTIS. That was only last year.

Mr. GOSSEr. That is right.

Senator CURTIS. Where are they for 1957?

Mr. GOSSEr. They are gone.

Senator CURTIS. Who destroyed them?

Mr. GOSSEr. I would not know that. It seems to me that everybody paid their taxes on this money, and it is money that they contribute voluntarily, and we don't have any reason to keep it.

Senator CURTIS. Was all of the money contributed voluntarily?

Mr. GOSSEr. Yes, sir.

Senator CURTIS. And are these fines voluntary?

Mr. GOSSEr. Now you are back to the beginning of the summer camp and the fines?

Senator CURTIS. Yes.

Mr. GOSSEr. I don't know of anybody being fined now. We don't have quite the same guy that is afraid of a half a day or a quarter of a day's work on our staff any more.

Senator CURTIS. Did you assess fines against international representatives who did not show up for work at the farm or summer camp?

Mr. GOSSEr. There is nobody working up there now.

Senator CURTIS. I mean back there.

Mr. GOSSEr. You are back to 1957?

Senator CURTIS. No, 1947.

Mr. GOSSEr. You are jumping from 1947 to when? Are you back to 1947?

Senator CURTIS. Yes.

Mr. GOSSEr. Yes.

Senator CURTIS. Now, did you give orders that officers of the local union perform work on the farms and summer camps?

Mr. GOSSEr. Officers of the local unions?

Senator CURTIS. Salaried officers, yes, of local 12.

Mr. GOSSEr. I would assume that is possible.

Senator CURTIS. That you did?

Mr. GOSSEr. Yes, sir.

Senator CURTIS. Were they fined if they did not show up?

Mr. GOSSEr. I sure would assume they were. I would feel badly if they were not.

Senator CURTIS. What happened to that money?

Mr. GOSSEr. The same as what happened to the rest of it.

Senator CURTIS. Some of it went in the flower fund?

Mr. GOSSEr. I guess so.

Senator CURTIS. Did all of it go in the flower fund?

Mr. GOSSEr. No.

(At this point Senator Kennedy entered the hearing room.)

Senator CURTIS. How much of it went in the flower fund?

Mr. GOSSEr. I don't know. When you are starting an enterprise worth over half a million dollars, it is pretty hard to tell exactly. You have the whole booklet in front of you, and you would have to figure out, and I don't know whether you understand it or not, but one simple thing you can understand is that in 10 weeks' time the kids drink 18,000 quarts of milk. That would give you an idea.

Senator CURTIS. Were there any items of food purchased through the hardware store?

Mr. GOSSEr. What is that?

Senator CURTIS. Were any items such as food or pop purchased through the hardware store?

Mr. GOSSEr. If they were, I don't know about that.

Senator CURTIS. You don't know about that?

Mr. GOSSEr. No.

Senator MUNDT. Did you sell food and pop in the hardware store?

Mr. GOSSEr. If they were, I don't know about that.

Senator MUNDT. I had a question of whether you sold food and pop out of a hardware store. That is a strange combination.

Mr. GOSSEr. There might have been a pop machine in there, and I don't know.

Senator CURTIS. Did the hardware store sell to the local union or to the summer camps merchandise that they did not carry in stock?

Mr. GOSSEr. Did the hardware store—say that over again.

Senator CURTIS. Did the Colonial Hardware, or prior to that, G. & S., sell supplies to local 12 to the building corporation, and to the summer camp and the farms that they did not carry in stock?

Mr. GOSSEr. I am going to make this easy for you, Senator. When I owned Colonial Hardware, if a fellow came in and if you came in and wanted a pair of glasses, I would have figured out a way to sell them to you.

Senator CURTIS. That answers my question. Now, what other income—

Senator GOLDWATER. Would the Senator yield before he gets off the flower fund?

Senator CURTIS. I am not off it, but go ahead.

Senator GOLDWATER. Now, Mr. Gosser, are your contributions to the flower fund at the international level in cash or by check?

Mr. GOSSEr. Mine is in cash.

Senator GOLDWATER. Yours is in cash?

Mr. GOSSEr. Yes, sir.

Senator GOLDWATER. To your knowledge are all of these contributions in cash?

Mr. GOSSEr. I would think to the best of my ability, Senator, that most of the contributions are in cash. Whether there is any by check or not, I don't know.

Senator GOLDWATER. What is your income?

Mr. GOSSEr. What is my income?

Senator GOLDWATER. Just from the vice presidency?

Mr. GOSSEr. I get \$17,500 a year, and I get a \$5-a-day daily allowance, and I get my car furnished and a gas card.

Senator GOLDWATER. How much do you give in a year to your flower fund?

Mr. GOSSEr. Well, I give a little bit more than the other fellows, and I give \$5 to the national flower fund, and I give \$5 a week to my own region's flower fund.

Senator GOLDWATER. \$5 a week?

Mr. GOSSEr. Yes, sir; both places.

Senator GOLDWATER. Well, now, when Mr. Reuther was before us in March of 1958, being interrogated on these funds, he said substantially what you have said in answer to a question from Senator Curtis, when he said:

Mr. REUTHER. There are no flower funds operated by the international union.

That is what you said a minute ago, isn't that correct?

Mr. GOSSEr. By the union itself, as such, that is right. It is operated by the political group within the union.

Senator GOLDWATER. Continuing with Mr. Reuther's statement:

The only funds in this category are private funds contributed to voluntarily by private citizens for political work together in our union. The international union has nothing to do with them any more than the U.S. Government has to do with your private campaign funds.

Now, I think you testified that there are such funds at the international level?

Mr. GOSSEr. No, Senator, I am very sorry. I did not make myself clear. When he asked if I have control of it, I said that I would assume one-sixth of it, and there were six officers, and there is only one fund, but there are six officers.

Senator GOLDWATER. There is only one fund at the international level to take care of the six top officers?

Mr. GOSSEr. Each one of the six top officers name a fellow, and those six fellows administer and do it.

Senator GOLDWATER. If we wanted to get the records of that fund of the international at that level, to whom would we go?

Mr. GOSSEr. I would think Larry Getnick, and I could be wrong, but I would think that.

Senator GOLDWATER. Is that your personal man?

Mr. GOSSEr. That is Walter Reuther's administrative assistant.

Senator GOLDWATER. Getnick, is that the name?

Mr. GOSSEr. Yes, sir.

Senator GOLDWATER. Is it your plan to ask for those records from that level, Senator?

Senator CURTIS. I don't know at the moment. We were inquiring into the Toledo area, and I have no objection to you asking for them.

Senator GOLDWATER. I will see what you develop.

Senator CURTIS. How much do the international representatives assign to you for the flower fund?

Mr. GOSSEr. \$5 a week, so far as I know, those that want to.

Senator CURTIS. And they pay that in cash?

Mr. GOSSEr. I just said I assume that most of them pay it in cash.

Senator CURTIS. When do they pay it?

Mr. GOSSEr. Now you have got me. I never collected it and I never saw it, and I never signed a check for it or anything else, and I don't know.

Senator CURTIS. Are they under any compulsion to pay it?

Mr. GOSSEr. Well, I can only say that I have never heard of anything happening to anybody that didn't pay it.

Senator CURTIS. Do you know of any international representative that didn't pay it?

Mr. GOSSEr. Two or three even when I was regional director did not pay it in our region.

Senator CURTIS. They did not pay at all?

Mr. GOSSEr. I think there was a fellow by the name of—I think I am right when I say Charley Schick, I did not think he paid, but maybe I am wrong. I am not sure. I know that there is a rule, if you are going to vote on anything that has to do with the flower fund, you can't vote on it if you aren't a participant. That much I know.

Senator CURTIS. Now, were officers of local 12 payers to the flower fund?

Mr. GOSSEr. They give a little bit to it.

Senator CURTIS. To whom do they pay that?

Mr. GOSSEr. At the same place.

Senator CURTIS. The fourth floor of the building?

Mr. GOSSEr. Why don't you say they pay it into this political fund, because you jump years on me, and right now I don't know what year you are jumping on me.

Senator CURTIS. Right now where do they pay it?

Mr. GOSSEr. I would assume that they go some place where it eventually winds up with the girl who makes out that.

Senator CURTIS. Where do they go?

Mr. GOSSEr. They pay it to some representative or to the assistant director.

Senator MUNDT. This should be an easy question. If I understand it, you pay \$5 a week in the Detroit fund, and I presume you pay that to your administrative assistant.

Mr. GOSSEr. Yes, I pay it to Walter Madrzykowski.

Senator MUNDT. To whom do you pay your \$5 a week for the local fund?

Mr. GOSSEr. I pay it to Charley Ballard.

Senator MUNDT. Charley Ballard?

Mr. GOSSEr. Yes, the director.

Senator MUNDT. That man who is down in Kentucky whom we are talking about?

Mr. GOSSEr. Yes, sir.

Senator MUNDT. What is his job?

Mr. GOSSEr. He is the regional director of that district.

Senator MUNDT. The regional director.

Mr. GOSSEr. Yes, sir.

Senator MUNDT. He has his office on this fourth floor that we are talking about?

Mr. GOSSEr. Yes, sir.

Senator MUNDT. So then you pay it to a man on the fourth floor, and that simplifies it.

Mr. GOSSEr. That is right.

Senator CURTIS. Now, were any of these people who paid into the flower fund required to make their payment to the flower fund before they got a paycheck or an expense check?

Mr. GOSSEr. Well, to make it easy, because I don't see any use struggling with this, I don't know whether anybody ever said, "You had better pay up," and I would not know that. I would just want to speak as myself, being a part of it, and I think I am speaking of myself and my own operation, when I was a regional director I allowed freedom to exist as far as a person wanting to give, but if a person became a participant, I did not allow him because of a whim to say, "Well, goodbye," and once he got his feet wet, I let him stay wet.

Senator CURTIS. How did you keep him continuing to pay?

Mr. GOSSEr. I never had any problem, and I don't remember, Senator Curtis, from the day I started in this union, when it was 10 cents it started out with, until right now, I could never remember of one fellow saying to me, or around me, "I don't want to pay." And I never heard one word of it until some guy got discharged because they didn't do their work.

Senator CURTIS. Now, I understood you to say that once they started in it and entered into the agreement and got their feet wet, they had to continue. By what arrangement did you have them continue?

Mr. GOSSEr. I never had to, but I mean I would have, and I am trying to be honest with you.

Senator CURTIS. You say you would have?

Mr. GOSSEr. I would have told him to.

Senator CURTIS. Did the flower fund get any income from slot machines?

Mr. GOSSEr. I think some of the money went into the flower fund from the slot machines.

Senator CURTIS. Were all of the proceeds of the slot machines given to the flower fund?

Mr. GOSSEr. What date are you talking about?

Senator CURTIS. Back at the time that you had slot machines in there.

Mr. GOSSEr. That is back when the Elks and the Eagles and the Knights of Columbus and everybody had slot machines. Is that when you are talking about?

Senator CURTIS. I am not working for the licensing bureau of the Internal Revenue.

Mr. GOSSEr. I am just sure you are talking about when we had slot machines, and we had them when everybody else in the country had them.

Senator CURTIS. Did the flower fund get any income out of the slot machines?

Mr. GOSSEr. Yes, sir.

Senator CURTIS. They did?

Mr. GOSSEr. Yes, sir.

The CHAIRMAN. What are you talking about? You said "when everybody else had them."

Mr. GOSSEr. He must be back, Senator, in 1947 or 1948.

The CHAIRMAN. Back in 1947 or 1948?

Mr. GOSSEr. Or maybe even before then.

Senator CURTIS. Did you ever receive any money from the flower fund?

Mr. GOSSEr. Personally, you mean?

Senator CURTIS. Yes.

Mr. GOSSEr. I did not receive any money from anything outside of my wages from this union, and the businesses that I participated in, which I am not ashamed of.

Senator CURTIS. Where were these slot machines located?

Mr. GOSSEr. Down in the bar, the same as they were in the Eagles and the Elks and the Knights of Columbus, and you name it.

Senator CURTIS. Who owned them?

Mr. GOSSEr. Local 12.

Senator CURTIS. Local 12 didn't own the flower fund, did they?

Mr. GOSSEr. I would say to a great extent the answer to that was that local 12, without saying that they owned it as such, yes. The flower fund was kept for the purpose and intent of building a strong union, which I don't think anyone can say isn't strong.

Senator CURTIS. You are saying that the flower fund was collected by you when you were regional director, and that now Ballard is collecting it, and that that flower fund is the property of local 12.

Mr. GOSSEr. Senator Curtis, I would say this to you: I don't think that you can go, and let us start with a kid at 12 years old, from a kid 12 years old until a fellow is 80 or 90, and is about to die, when you talk to them about the flower fund, they sure in the devil know what you are talking about. That is no secret no place. That is no secret in the Republican Party and that is no secret in the Democrat Party. The only ones I ever knew to do anything was once the Republican Party fired some fellows for not contributing. I do remember that.

Senator CURTIS. Now, according to you and Mr. Reuther, one of the purposes of this flower fund is for political campaign funds within the union, to elect their people and to get their principles across. Now, is it true that local 12 spent their money to buy slot machines, and part of the slot machine proceeds went into the flower fund?

Mr. GOSSEr. I don't think so. I would have to see the copy of where local 12 bought the slot machines, and I think that when you speak of going into the flower fund, I think that the only thing that you are talking about is whether they paid for a dinner or not.

Senator CURTIS. I am talking about when these slot machines were emptied, and the proceeds divided up.

Mr. GOSSEr. I would say 99.9 percent of that money went into the summer camp for some improvement.

Senator CURTIS. Didn't any of it go into the flower fund?

Mr. GOSSEr. I am saying "Yes" because I don't want to be wrong on 1 percent.

Senator CURTIS. And local 12 bought the slot machines, didn't they?

Mr. GOSSEr. I don't know, and I am not sure whether local 12 bought them.

Senator CURTIS. Did you have anything to do with the purchase of them?

Mr. GOSSEr. No.

Senator CURTIS. Did you order the purchase of them?

Mr. GOSSEr. I certainly was in on it.

Senator CURTIS. Who made arrangements or who made the contact whereby slot machines could be purchased?

Mr. GOSSEr. That was the simplest thing in the world. You walked into a store and bought them.

Senator CURTIS. Where did you buy them?

Mr. GOSSEr. I am not sure now, and you have got me back too many years, but buying slot machines in the old days, they had a catalog, and I think—

The CHAIRMAN. That is a rollcall vote in the Senate, and we will have to come back in about 20 minutes.

(Brief recess.)

(Members of the select committee present at the time of the recess: Senators McClellan, Kennedy, Ervin, Goldwater, Church, and Curtis.)

(Because of further votes on the floor of the Senate, the hearing was recessed until 10:30 a.m., Thursday, August 13, 1959.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

(On August 13, 1959, Richard T. Gosser, Melvin Schultz, and Lloyd Speidell testified in executive session before the Senate Select Committee on Improper Activities in the Labor or Management Field. This testimony was made public by the members of the Select Committee on Improper Activities in the Labor or Management Field on August 19, 1959, and follows below.)

THURSDAY, AUGUST 13, 1959

U.S. SENATE, SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D.C.

The select committee met at 10:30 a.m., pursuant to Senate Resolution 44, agreed to February 2, 1959, in room 3302, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat of Arkansas; Senator Karl E. Mundt, Republican of South Dakota; Senator John F. Kennedy, Democrat of Massachusetts; Senator Sam J. Ervin, Jr., Democrat of North Carolina; Senator Frank Church, Democrat of Idaho; Senator Carl T. Curtis, Republican of Nebraska.

Also present: Robert F. Kennedy, chief counsel; Jerome S. Adlerman, assistant chief counsel; P. Kenneth O'Donnell, assistant counsel; Paul J. Tierney, assistant counsel; Robert E. Manuel, assistant counsel; Pierre E. G. Salinger, investigator; Walter J. Sheridan, investigator; Carmine S. Bellino, consulting accountant; Ruth Y. Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at the convening of the session: Senators McClellan and Curtis.)

The CHAIRMAN. Proceed. Mr. Gosser will resume the witness stand.

TESTIMONY OF RICHARD T. GOSSER, ACCCOMPANIED BY COUNSEL,
JOSEPH L. RAUH, JR., LOWELL GOERLICH, AND FRANCIS RENO—
Resumed

Senator CURTIS. I want to go back to the point where we were talking about the slot machines. Did you direct the purchase of these slot machines?

Mr. GOSSER. I cannot remember. I certainly was a part of it, but to say that I directed it, I would not want to say that. But I was certainly in local 12, and there is a steering committee and I am a part of it, and therefore I am certainly responsible for being a part of the purchase of the slot machines.

Senator CURTIS. But did you in writing or otherwise direct that they be purchased?

Mr. GOSSEr. That I could not say, Senator.

Senator CURTIS. Would you say that you did not?

Mr. GOSSEr. No, I would not say that. If you have got something specific there, that is all right.

Senator CURTIS. Were there any slot machines in the union hall or on the union property besides those you purchased?

Mr. GOSSEr. Besides those we purchased?

Senator CURTIS. Yes.

Mr. GOSSEr. I would not know how there could be any besides those we purchased.

Senator CURTIS. Were there any slot machines that were put in there by a group that makes a business of that, sometimes referred to as a syndicate?

Mr. GOSSEr. Well, Senator, I want to make it very clear for your benefit, there has never been and there never will be any relationship between the union that I am a party to and the underworld, if that is what you are trying to infer, either for putting machines in, or doing anything else whatsoever.

Senator CURTIS. You deny that anyone connected with the underworld had any slot machines in there?

Mr. GOSSEr. So far as I know, nobody ever had any slot machines in there except the slot machines that presumably belonged to the local or belonged to somebody.

Senator CURTIS. Your statement is that no slot machines were there?

Mr. GOSSEr. To the best of my recollection.

Senator CURTIS. I think you would know better than that. That sounds so much like Hoffa.

Mr. RAUH. Mr. Chairman, that is the most outrageous comment I have ever heard.

Senator CURTIS. It is the truth.

Mr. RAUH. This is an event that goes back to 1945, and I think, really, sir, that that is too outrageous even to sit here and listen to, that Senator Curtis should make a remark like that at this time, and I object and I ask, really, sir, that you stop remarks of that kind.

Senator CURTIS. All right, now, listen, Mr. Rauh. Your client, Mr. Reuther, sends insulting telegrams around here and impugns the motives and integrity of every Republican member of this committee. You and your clients are not any different than anybody else that comes before this committee.

Mr. RAUH. We are entitled to be protected against remarks like you just made.

Senator CURTIS. Whenever you people restrain your remarks, you will be entitled to demand similar treatment.

The CHAIRMAN. Let the Chair speak now. I know sometimes under extreme difficulties we all make remarks, and I possibly sometimes have made a few myself, when I got exasperated at the behavior of a witness or his lack of cooperation or something. I realize that a telegram was sent by Mr. Reuther that, in my judgment, should not have been sent in the tone that it was, and had it been sent in a different tone these hearings might be public today as he requested. But let

that be as it may. It is pretty hard for me to tell a Senator he cannot express his views; I think, however, we will make better progress here if the Senator will try to refrain from those comments. I cannot tell a Senator, "You can't say what you think." I am not going to try to do that, but if a question is asked that is so far out of line that I thought it had no bearing whatsoever, I would then rule that the inquiry was improper. Let us try to move along here and expedite it.

Senator CURTIS. From whom were the slot machines purchased, those that were purchased?

Mr. GOSSEr. I have tried my hardest to explain to you, Senator, that I as an individual did not purchase them.

Senator CURTIS. You directed them to be purchased, did you not?

Mr. GOSSEr. I said that to the best of my recollection, I am sure that the group that I am affiliated with, I am on the steering committee, made up their minds to put them in like all other clubs did, and therefore I am certainly responsible for that part. Now, exactly as to who they were purchased from, I don't know, because at this particular time that you are talking about, slot machines were not illegal, and they were all over the town, and people had them in their basements, even.

Senator CURTIS. They were difficult to buy, were they not?

The CHAIRMAN. What year is this?

Mr. GOSSEr. He must be back in the 1945, or 1946, or 1947 period.

Senator CURTIS. That is right, 1945 or 1946.

Mr. GOSSEr. I can say that I can produce some very respectable people that will testify that they had them in their basements, nickel slot machines, or a dime slot machine. They had a bar and that was an accepted thing in our society at that time.

Senator CURTIS. Did you know Tony Scott Powell?

Mr. GOSSEr. Certainly. Tony Scott Powell. I will save you a lot of trouble. Tony Scott Powell and I were in the reform school together, if you must go back 40 years ago.

Senator CURTIS. I did not have that in mind, and I am talking about his present business.

Mr. GOSSEr. Him and I went to reform school together, and certainly I know him and I can't say I do not know a person I went to reform school with.

Senator CURTIS. What is his business now?

Mr. GOSSEr. I would assume if you want to find out that, that you would subpoena him and ask him.

Senator CURTIS. Do you know what his business is?

Mr. GOSSEr. No.

Senator CURTIS. You do not?

Mr. GOSSEr. I am sure I don't know what his business is.

Senator CURTIS. Do you know what his business was in the forties, 1946, 1947, and 1948?

Mr. GOSSEr. All I have to suggest is if you want to know something about Mr. Powell, and I don't intend to tell you what anybody else's business is except my own, Senator.

Senator CURTIS. If you know what his business is—

Mr. GOSSEr. I don't know what his business is.

The CHAIRMAN. He said he does not know.

Senator CURTIS. How often do you see him.

Mr. GOSSEr. I see him from time to time.

Senator CURTIS. You still don't know what his business is?

Mr. GOSSEr. No.

Senator CURTIS. Did you know Joe Fretti and his brother?

Mr. GOSSEr. Yes.

Senator CURTIS. What was their business?

Mr. GOSSEr. Well, I don't know what all of their businesses were.

Senator CURTIS. What was part of their business?

Mr. GOSSEr. Well, it was implied that they had a great deal of slot machines and various things in the community.

Senator CURTIS. Now, were there any slot machines on union property owned by anyone other than local 12?

Mr. GOSSEr. No, I want to repeat to the best of my knowledge, no.

Senator CURTIS. It was difficult to buy a slot machine in those days.

Mr. GOSSEr. It was not difficult. Anybody could buy one for \$50 to \$75.

Senator CURTIS. Where could they buy it?

Mr. GOSSEr. Any place, and I don't know where. I can introduce you to doctors, lawyers, and everybody else that had slot machines in their basements, and people had a little bar.

Senator CURTIS. I am talking about slot machines.

Mr. GOSSEr. The same kind as we had were in the basements.

Senator CURTIS. I am talking about slot machines that have a payoff.

Mr. GOSSEr. Maybe they bought them off their friends, and I don't know, and I don't know who had the sale of them.

Senator CURTIS. Now, how much income did these slot machines produce?

Mr. GOSSEr. I would not know, but I would say it was slot machines, it was a very good business, and I think everybody, whether it would be us or whether it would be the Knights of Columbus, or the Elks, or Eagles, but everybody profited a great deal off slot machines.

Senator CURTIS. I believe you testified that the flower fund got part of the income.

Mr. GOSSEr. I think that I said so that I would not get in an argument with you that there is a possibility it got 1 percent or something like that.

Senator CURTIS. One percent?

Mr. GOSSEr. I think something like that, and I am not sure that it got any, but so that I won't get in an argument I will say that they got some part of it.

Senator CURTIS. Did sometimes when the machines were emptied, did they get half of it.

Mr. GOSSEr. When the machines were emptied, how do you mean? I don't quite follow you.

Senator CURTIS. When they emptied out the machines and take out the coins, were there any instances where half of the money was turned over to the flower fund?

Mr. GOSSEr. No. If I remember right, I think half of it was turned over, I could be wrong in saying this now, because you are asking me to remember back a good many years, but I think some of the money was turned over to the local, and some of the money was brought upstairs, and as I told you, I did not go into it, and you are

from a farm State, and so you ought to understand that you were talking about our farms, and we have 464 acres, and it takes 4,000 chickens, and it takes 500 turkeys, and it takes 80 pigs, and a dozen steers, and when we were starting out, and now we have people in high walks of life that give to our summer camp. But when we were starting out, we just had a rough way of making a go of this, and we used a tremendous amount of this money toward—as an illustration right now, we charge a kid \$20.

Senator CURTIS. You are talking about money channeled through the flower fund?

Mr. GOSSEr. No, I am talking about money channeled through the offices that I held at that particular time.

(At this point Senator Kennedy entered the hearing room.)

Senator CURTIS. Did you have other funds besides the flower fund in the offices that you handled? What fund are you talking about?

Mr. GOSSEr. I am certainly talking about the summer camp.

Senator CURTIS. No, I am talking about funds that you had. Now, here you state you had no slot machines there, and you admit the flower fund might have gotten part of it, and as a matter of fact—

Mr. GOSSEr. A small part.

Senator CURTIS. You ordered the purchase of those slot machines, and you ordered the purchase of those slot machines by local 12 at a time when under your constitution and bylaws you had no right to interfere with their business procedures. It was local 12 money, and certain of the proceeds were taken and put into the flower fund, and when we ask for the records of the flower fund, they are all destroyed except 1959.

Mr. GOSSEr. Senator, I want to say two things there, to answer you in regard to that. First of all, I want to make it very clear to you that local 12 is run by what we call a steering committee. That steering committee has had a vote, not only once, but 900 times, I would say, and not by exaggerating, by the membership of local 12, that sees fit to turn out to the meetings, to run the affairs in between the meetings, even to the extent of guiding the officers of the local. This has been a continual thing.

The second point that you raise, I don't even know whether it is worth answering, to be very honest with you.

The CHAIRMAN. What point is that which is not worth answering?

Mr. GOSSEr. Read the second part.

The CHAIRMAN. I missed the point, and I am asking for information.

Mr. GOSSEr. Read back to the Senator what his second point is.

Senator CURTIS. I can't repeat it exactly, but I said now your testimony is that some of the proceeds of the slot machines went into the flower fund, and yet when you are called upon to produce the records of the flower fund, there are not any records, but only for 1959.

Mr. GOSSEr. My point of that, and the reason I did not answer the Senator is that—

The CHAIRMAN. I did not get the second point.

Mr. GOSSEr. The point is about the flower-fund books. Now, at the point that the employer—and I don't want to belabor this point—but they did contribute this \$1 that ran into hundreds and hundreds of thousands of dollars, and they had private detectives and these same

private detectives are now going to people's homes asking them questions about me, right now, and I don't know who is paying them, but I have to assume maybe the employer is back paying them again—the Internal Revenue Department, Treasury Department, and the FBI, and everybody and their brother, that the Federal Government could find except a Senate committee, and I would not have been against that, did come in there and they spent months upon months and months investigating that. Every book was turned over to them.

Senator CURTIS. How long ago was that?

Mr. GOSSEr. In 1949, right while they was going on, and at that point we had the flower-fund books, where Dick Gosser gave \$50, and this guy gave this much, and this guy gave this much, and this was spent, and the Treasury Department took the books, and here is my attorney, and he will tell you we gave it to him willingly, and there was no argument and no nothing. I did say yesterday that I did not know that I had such efficient girls, and I did not think that they were keeping such books, and I thought that was a waste of time. Because I don't think that the girls working for the union are required to do a lot of bookkeeping for our political fund.

Senator CURTIS. But your political fund had money in it other than voluntary contributions; isn't that right?

Mr. GOSSEr. So far as I know, our political fund—there is a question that you want to keep belaboring about the slot machines, and I am not going to get myself into a position so if you want to argue, we had 1 percent, I am going to let it ride at that point.

Senator CURTIS. I would not say it was 1 percent.

Mr. GOSSEr. If you have evidence, produce it and it will be a fact.

Senator CURTIS. That is a familiar offer in this committee, too. All we want you to do is to tell us the truth.

Mr. GOSSEr. I am trying my hardest to tell you the truth. You are asking me to remember back.

Senator CURTIS. Why were the records for the flower fund for 1958 destroyed?

Mr. GOSSEr. As far as that is concerned, I think that the fellows in the steering committee, and I don't think but I know, I know they made up their mind after that, that this was just a lot of nonsense, and we all paid our taxes on it, and that we were all in one political group, and we were all supporting each other, and our jobs were contingent upon each other, and if there was somebody that was so mistrustful, the guy might as well go over on the other side of the political fence as far as that goes.

We agreed that at the end of the year, the girl would just—I don't want to say throw out our file, or what to do with it, but I am sure that we are not interested in keeping the books and furthermore we don't think that we have to keep the books. The taxes are paid on all of the money, and now you are trying—

Senator CURTIS. It is other people's money; isn't it?

Mr. GOSSEr. You are trying to talk about the flower-fund money in 1948 and bring it to a current point of what we have done with some flower-fund money that might have come from slot machines. I have told you that the U.S. Treasury Department, Internal Revenue Department, and the FBI, and if you can think of anybody else, they were there. I had them every day, and I had them for morning, noon and

breakfast, and in my house, and around my house, and everything else. Every 2 years the Internal Revenue Department just moves in my house and takes over my dining room and starts going through all of my books.

Senator CURTIS. Now, do you want us to understand that when you were regional representative, and later on as a vice president, did not direct the affairs of local 12?

Mr. GOSSEr. I have tried my hardest to tell you that local 12—every person including yourself who lives in the world of politics has to have a political base. Local 12 is my political base. Senator, I would just not be telling you the truth if I did not tell you that I tried very hard to just keep right in the affairs of everything and keep friendly with everybody and keep it with it, because this is what makes a person successful in politics, unless I don't understand politics.

Senator CURTIS. I think it had something to do with success in business, too. Did you or did you not issue written orders as to who was to OK purchases for local 12?

Mr. GOSSEr. I don't recollect that.

Senator CURTIS. Would you deny that you did?

Mr. GOSSEr. I would not deny anything if you are talking about 15 years ago.

Senator CURTIS. How long have you been in the labor movement?

Mr. GOSSEr. Well, the first time that I went in the labor movement was, I went in the IBEW and when I came out of the reform school, which must have been in 1922 or 1923, and then I went to the Willys-Overland unit which was an open shop, and from there I went into—

Senator CURTIS. When did you become a paid employee of the union?

Mr. GOSSEr. Well, the union did not have money enough to pay anybody until—I think that I first started to go to work for the union for \$30 or \$35 a week, in 1937 or around that time.

Senator CURTIS. Now have you been in union work so far as your livelihood since that time?

Mr. GOSSEr. Have I been in union work so far as my livelihood?

Senator CURTIS. So far as your salary is concerned.

Mr. GOSSEr. So far as being on full time for the union, when I became a regional director, that was in the convention of 1943, I have been on full time since then.

Senator CURTIS. Since when?

Mr. GOSSEr. Since 1943, as regional director.

Senator CURTIS. But your employment from 1937 to 1943 was what?

Mr. GOSSEr. I was president of local 12.

Senator CURTIS. Is that a paid job?

Mr. GOSSEr. No, for some time I just worked as a part-time job, I just get paid \$20, but the local did not have much money, and I worked in the shop during the day, and then I came down in the evenings, and then I donated my expense check back to the local union to help it get started.

Senator CURTIS. What other businesses did you have?

Mr. GOSSEr. The Colonial Hardware.

Senator CURTIS. What is that?

Mr. GOSSEr. Colonial Hardware.

Senator CURTIS. What other business do you have now?

Mr. GOSSEr. I have a farm now.

SENATOR CURTIS. Where is the farm located?

Mr. GOSSEr. The particular farm that I have right now, you mean?

SENATOR CURTIS. All of them.

Mr. GOSSEr. Well, I have one right now.

SENATOR CURTIS. Where is that?

Mr. GOSSEr. In Florida.

(At this point Senator Mundt entered the hearing room.)

SENATOR CURTIS. Do you have a partner?

Mr. GOSSEr. Yes, sir.

SENATOR CURTIS. Who is your partner?

Mr. GOSSEr. Charley Ballard.

SENATOR CURTIS. That is the regional director.

Mr. GOSSEr. Yes.

SENATOR CURTIS. What do you call that farm?

Mr. GOSSEr. The R. & N. Ranch.

SENATOR CURTIS. Where is it located in Florida?

Mr. GOSSEr. It is on the outskirts of Monticello, Fla.

SENATOR CURTIS. How large is it?

Mr. GOSSEr. 1,185 acres; 1,184 acres, I think.

SENATOR CURTIS. Do you and Mr. Ballard hold title to it?

Mr. GOSSEr. No—do we own title to it?

SENATOR CURTIS. Yes.

Mr. GOSSEr. Well, there is a partnership of four; and I own 25 percent, and my wife owns 25 percent, and Charley's wife owns 25 percent, and he owns 25 percent.

Then I have a partnership in another farm further down in Florida, with 12 or 15 fellows.

SENATOR CURTIS. What is the name of that farm?

Mr. GOSSEr. C. & R. Ranch.

SENATOR CURTIS. What does the C. & R. stand for?

Mr. GOSSEr. Circle Ranch.

SENATOR CURTIS. Who are your partners in that venture?

Mr. GOSSEr. Charley Ballard, Don Pinziotti.

SENATOR CURTIS. Who is that man you mentioned?

Mr. GOSSEr. Don Pinziotti.

SENATOR CURTIS. What is his business?

Mr. GOSSEr. He is an international representative. All of these fellows, so that you don't have to ask me the question over, are international representatives, and we just pooled some money, because Florida property is going up, and we thought we might be able to sell it and make some money off of it.

SENATOR CURTIS. How big is this ranch?

Mr. GOSSEr. I think, I could be wrong, but I think 1,829 acres.

SENATOR CURTIS. 1,829 acres?

Mr. GOSSEr. Yes, sir.

SENATOR CURTIS. How many partners are there?

Mr. GOSSEr. I think there are 12. I think it started with 14, and I think there are now 12.

SENATOR CURTIS. Are you equal partners?

Mr. GOSSEr. I think I and somebody else has 10 percent, and we have a little more stock than the rest of them. I was going to say 10 percent, but that is not true.

Senator CURTIS. I did not get that answer.

Mr. GOSSEr. I and one other fellow, and I am not even sure of that, but I think that I am right, if there were 10 shares, then instead of having one-tenth, we would have twelve-tenths, I think that is the way it is. We picked up the two fellows who dropped out to keep up the payments because we have \$80,000 mortgages on it.

Senator MUNDT. You don't mean twelve-tenths, because you can't have that.

Mr. GOSSEr. We have a little more than the other fellows.

Senator MUNDT. Is it two-tenths, perhaps?

Mr. GOSSEr. I don't know. The figures will speak for itself, and he has the books because I think that you have the New York grand jury books, and it is all contained within the New York grand jury minutes, and you have the books here.

Senator CURTIS. Do you have any other property in Florida?

Mr. GOSSEr. Yes, I have a home in Florida.

Senator CURTIS. Where is that?

Mr. GOSSEr. In Hollywood.

Senator CURTIS. What is the address of that home?

Mr. GOSSEr. Well, it is Longacres Court, and I think it is 408, but I am not sure, and I am sorry I don't know the exact number.

Senator CURTIS. What city?

Mr. GOSSEr. I say Hollywood, Fla.

Senator CURTIS. And the number may be what?

Mr. GOSSEr. 408 Longacres Court, and it is in Longacres Court.

Senator CURTIS. Do you live there part of the time?

Mr. GOSSEr. My wife and I go down in the wintertime ever since I come out of Michigan University, because of the fact that I have three deteriorating disks, and besides that I have a backful of arthritis, and the doctor recommended this when they took me out of the hospital. There was a question as to whether I would come out of it or not, and I have to hang in traction every morning and every night.

Senator CURTIS. Do you have any other property in Florida?

Mr. GOSSEr. No.

Senator CURTIS. What other property do you own?

Mr. GOSSEr. I own my home on Drummond Road.

Senator CURTIS. In Toledo?

Mr. GOSSEr. Yes, sir.

Senator CURTIS. Do you own any other property?

Mr. GOSSEr. Well, let us say the Federal Government and I own the first farm that I own, and they have a \$32,000 mortgage.

Senator CURTIS. Where is that?

Mr. GOSSEr. In Michigan.

Senator CURTIS. What do you call that farm?

Mr. GOSSEr. That was the R. & M. Ranch. What we did was sold out there and moved to Florida.

Senator CURTIS. You sold that?

Mr. GOSSEr. Yes, sir.

Senator CURTIS. That was a partnership with Mr. Ballard, the regional director?

Mr. GOSSEr. Yes.

Senator CURTIS. Do you own any other property in Michigan?

Senator MUNDT. How many acres do you have in that farm?

Mr. GOSSEr. We bought four farms there, and I think altogether there is somewhere near the neighborhood of 600 acres in the farms. It is all contained in the grand jury notes, and all of the records of all of that is in the grand jury.

SENATOR MUNDT. I have not read the records of the grand jury, and so I ask you the questions. You can give me the answers, because I have not read the proceedings.

Mr. GOSSEr. My reason for saying that is that I am not accurate, and the prosecutor took all of my bankbooks and then asked me to tell him exactly what was in each bank and that was quite hard to do, too.

SENATOR MUNDT. You are asked how many acres in a farm.

Mr. GOSSEr. It is in the neighborhood of 600 acres.

SENATOR MUNDT. But it is in the record, that is clear enough.

Mr. GOSSEr. I don't want to make myself to be right to a point on something here, and be off a little bit, and I would say around 600 acres.

SENATOR CURTIS. Now where in Michigan is that farm located?

Mr. GOSSEr. It is closest to Adrian, Mich.

SENATOR CURTIS. How much of a mortgage is against it?

Mr. GOSSEr. The Federal Government has a \$32,000 mortgage on it.

SENATOR CURTIS. The Federal land bank, do you mean?

Mr. GOSSEr. Yes, sir; and while we are at it, I have got some pigs and the prices are pretty low, and you ought to be working on the prices and bring them up.

SENATOR CURTIS. What do you produce on your Michigan farm?

Mr. GOSSEr. On the Michigan farm, I don't produce anything, and the people that bought it are running it.

SENATOR CURTIS. I thought you said you owned the farm there.

Mr. GOSSEr. No; I said I sold it, and we bought this farm in Florida.

THE CHAIRMAN. I understood you sold your Michigan farm and bought a Florida farm.

Mr. GOSSEr. That is right.

THE CHAIRMAN. You don't own the Michigan farm?

Mr. GOSSEr. He said what do I raise in Michigan and I said nothing.

SENATOR CURTIS. I beg your pardon.

SENATOR MUNDT. The original question was, Do you own any other property? and you said you and the Federal Government owned a farm in Michigan.

Mr. GOSSEr. We do, when you look at it, and I can't say I own it, because the Government has a \$32,000 mortgage on it.

SENATOR MUNDT. If you said you sold it you would not own it with the Federal Government.

Mr. GOSSEr. I still own part of it, because I sold it for more than \$32,000.

SENATOR MUNDT. You have a second mortgage on it?

SENATOR CURTIS. You have a second mortgage?

Mr. GOSSEr. Yes; I sold it under a land contract.

SENATOR CURTIS. How much do you have coming under the contract?

Mr. GOSSEr. I would think \$28,000, if I am right.

SENATOR CURTIS. \$28,000 coming to you?

Mr. GOSSEr. Yes, sir; it is in that neighborhood.

SENATOR CURTIS. Do you own any other real estate or have an interest in any?

Mr. GOSSEr. No.

Senator CURTIS. In any State?

Mr. GOSSEr. Sir; what is that?

Senator CURTIS. Do you own any other real estate or interest in any real estate in any of our States?

Mr. GOSSEr. No; I don't. I am not against it, but I don't.

Senator CURTIS. In what banks do you have checking accounts?

Mr. GOSSEr. You have them in the grand jury, haven't you?

Senator CURTIS. No; they may be here, but I am just asking you.

Mr. GOSSEr. The papers certainly said that you folks subpenaed them. Well, we have a checking account in Toledo, Ohio.

Senator CURTIS. Who is "we"?

Mr. GOSSEr. My wife and I, and the ranch.

Senator CURTIS. What bank is that?

Mr. GOSSEr. Well, my wife and I's checking account is in the Toledo Trust Bank, and I believe that the checking account for the farm is in the State bank.

Senator CURTIS. Do you have accounts in any other banks?

Mr. GOSSEr. There is a small savings account in the Federal bank.

Senator CURTIS. Where is that?

Mr. GOSSEr. In Toledo, Ohio, and we have accounts in Hollywood, and we have a savings and checking account in Hollywood, and we have a savings account—I don't want to say for sure—Mrs. Ballard keeps the books on the farm in Florida, but I would assume that she would have a checking account in Monticello, Fla., but I would not want to make it as a positive statement.

Senator CURTIS. I don't think it is so difficult for a family to tell where their bank is.

Mr. GOSSEr. I did not say it was difficult for a family.

Senator CURTIS. Or hard to remember. I think that is something that is in your immediate experience. How many bank accounts do you have in Florida?

Mr. GOSSEr. I told you we have a savings account and a checking account in Hollywood, Fla., and I think that we also have the checking account there now. Now, there is one thing that you ought to know, Senator Curtis, and I might as well tell you the same thing I told the New York prosecutor. I have never kept any of my checking accounts and I have never signed a check in my life, and you just can't produce such a check. The books for one ranch are kept by one of the fellows, and the books for the other ranch is kept by Mrs. Ballard, and the books for the other ranch is kept by my wife. So when I say specifically something, I trust them all, and I don't run over every morning and look to see exactly this or that or anything, but on the best of my knowledge I have told you where the three different checking accounts are for the three farms, excepting there is a possibility for the one in the further part of Florida is that I know that they once had that money in Petersburg, Fla., for the downpayment, and then we made the downpayment on the farm, and then I think they took and put the checking account in a town next to there, Wachuga, Fla., I believe. It could be Salton Springs, but I don't think that there is a bank there. If you have something there, I will be more than glad to admit it.

Senator CURTIS. If your 1958 income tax returns show interest received from the Thompson Savings Bank, that would be correct?

Mr. GOSSEr. That is the one in Hudson, Mich., and that is a small town near the R. & M. Ranch, and we do have some money left there, yet.

Senator CURTIS. You have money drawing interest in Toledo Trust Co.?

Mr. GOSSEr. Yes; I said that.

Senator CURTIS. Some money on interest in the First Federal Savings?

Mr. GOSSEr. I said that.

Senator CURTIS. Where is that?

Mr. GOSSEr. In Toledo. I said the Federal Bank.

Senator CURTIS. And you have money drawing interest in the State Bank of Toledo?

Mr. GOSSEr. I said that.

Senator CURTIS. And the First National Bank of Hollywood?

Mr. GOSSEr. I said that.

Senator CURTIS. Now, do you have any other land contracts with sums owing to you and drawing interest besides the one in Michigan? I will refresh your memory on that. The Goodman land contract.

Mr. GOSSEr. Those are some lots that I sold on Central Avenue.

Senator CURTIS. In Toledo?

Mr. GOSSEr. Yes, sir. I bought them for \$950 and sold them for \$5,000 over a period, and I think I bought them back in the 1930's and sold them last year, to get some of this money to help make the payment on the farm.

Senator CURTIS. Are you referring to the interest?

Mr. GOSSEr. I am just explaining it.

Senator CURTIS. Now, the Temblayand land contract, where is that?

Mr. GOSSEr. Is that timberland?

Senator CURTIS. It may be.

Mr. GOSSEr. That is a part, as I spoke to Senator Mundt about that, that is part of the 600 acres, and there were about four or five farms combined.

Senator CURTIS. Now, the Warsaw land contract.

Mr. GOSSEr. That is part of the lots that I own on Central Avenue. That is a bicycle shop, and the fellow had it on the bicycle plant, and he bought the next one for the first lot that I sold.

Senator CURTIS. Now, I read the list of banks where you had money on deposit, and were drawing interest. Now, have you named all of the banks where you have a checking account?

Mr. GOSSEr. I named the bank in Hollywood, and I named the bank—let me ask you, Senator, so I could be clear, are you saying where I personally have a checking account, or where I might have a checking account with the association of the 12 fellows, or with the association of the R. & M. Ranch?

Senator CURTIS. Every account in which you have an interest.

Mr. GOSSEr. In which I have an interest. All right. There is a checking account, I would say, in Hollywood, and there is a checking account and again I want to say I believe I am right, and I am not sure, but I believe Mrs. Ballard has one in Monticello, Fla., and there is a checking account in Toledo, and there is a checking account in

Hudson, and to the best of my recollection unless you can tell me some other one, I think that is it.

Senator CURTIS. Now, do you have any safety deposit boxes?

Mr. GOSSEr. One.

Senator CURTIS. Where is that?

Mr. GOSSEr. Toledo Trust.

Senator CURTIS. Does anyone else share that with you?

Mr. GOSSEr. My wife. As far as I am concerned, I would say I share it with her and I have never been there and she is the one that goes and comes.

Senator CURTIS. What other property do you have?

Mr. GOSSEr. I thought—I don't know what you are talking about and I thought we arrived at the point where I said that I owned no other properties, and other than those you mentioned.

Senator CURTIS. Do you have any stocks or bonds?

Mr. GOSSEr. No. I don't have any stocks and I don't have any bonds because there has always been a great feeling with the people I am associated with that we should not have any shares of stock in any corporate structures or anything like that.

Senator CURTIS. Does Mrs. Gosser?

Mr. GOSSEr. I think at one time Mrs. Gosser had 50 shares of some kind of stock and I asked her to sell them.

Senator CURTIS. You have no shares now, either one of you?

Mr. GOSSEr. Unless my first wife had some, I think I owned five shares of Cities Service back in 1920 and I don't know whether she sold them or not, and she got them when I got my divorce and I would not want to say whether she has got them or whether she sold them.

Senator CURTIS. Who handles your investments?

Mr. GOSSEr. Well, Mr. Rath is my accountant, if that is what you want.

Senator CURTIS. Does anybody handle any investments?

Mr. GOSSEr. If you want to say, is that the brains, I would say my wife.

Senator CURTIS. Who prepares your tax returns?

Mr. GOSSEr. My wife to a great extent and Francis over here does.

Senator CURTIS. Does Mr. Rath help with that?

Mr. GOSSEr. Mr. Rath certainly has helped; for a long while Mr. Rath made them out completely when he owned some shares of the Colonial Hardware.

Senator CURTIS. Do you have any interest in any businesses in the Toledo area now?

Mr. GOSSEr. I have no interest in any business no place now.

Senator CURTIS. Either disclosed or undisclosed?

Mr. GOSSEr. Either disclosed or undisclosed.

Senator CURTIS. Do you get any income directly or indirectly from any business in the Toledo area now?

Mr. GOSSEr. Well, if I do, I don't know of it.

Senator CURTIS. Well, I think that you would know. Do you?

Mr. GOSSEr. I said I don't know of it.

(At this point Senator Ervin entered the hearing room.)

Senator CURTIS. Which one of your farms do you handle the chickens and turkeys on?

Mr. GOSSEr. The turkeys are handled on this overall farm in R. & M. ranch.

Senator CURTIS. Before you get away from the stocks and bonds, I can understand your position in not wanting to own stocks and bonds.

Mr. GOSSEr. I was wrong on that. I own some Government stock which I don't think anybody is going to object to. That is Government bonds and no one would object to it.

Senator MUNDT. While you are getting to that point, you said you did not own shares of stock. I thought a labor leader might not want to own a stock in a corporation he is negotiating with, and I was going to say that that certainly would not hold true of Government bonds and I was a little surprised you did not own any Government bonds because you answered the question, "Do you own any stocks or bonds?" by saying "No."

Mr. GOSSEr. I am awfully sorry. It just happened to slip my mind and I do from time to time, I have owned quite a few and I have sold some, and I just bought some more Government bonds, as far as that goes.

I figure that that money is real safe, because I figure if those bonds aren't any good, my money isn't any good, and so I feel I am pretty safe in buying those.

Senator MUNDT. I would agree with you, but in response to the question, "Do you own any bonds?", you said, "No," and I was going to ask that question.

Mr. GOSSEr. I would like to say this to you, Senator Mundt, that as owning stocks in corporate interests is concerned, I don't think that I would want to own any stocks, even though my colleagues might not feel that way, because I am the type of a fellow that I think if I own any part of it, I would be wanting to have something to do with the running of it.

I am that way and I think that the free enterprise system gives you that right, and I am kind of an eager beaver. I had a nervous breakdown and I have had a couple of heart attacks, but I don't stop, and I just go ahead and I am a fellow who can't sit still in a chair.

Senator MUNDT. You made another statement, that you had never written a check in your life, or signed a check.

Mr. GOSSEr. Signed a check, yes. Now, I mean for my personal money or anything like that.

Senator MUNDT. That is what I mean. I am kind of curious. Are you on a strictly cash basis?

Mr. GOSSEr. Oh, no. We do our business through checking accounts, but my wife does it all and signs my name.

Senator MUNDT. I am talking about your business, and you have to buy shoes and you have to pay rent and you have to do everything I do.

Mr. GOSSEr. My wife does all of that and she signs my name.

Senator MUNDT. Is there anything you buy yourself or you just carry cash?

Mr. GOSSEr. My wife, even the clothes I have on, my wife bought and I assume that she paid for them by check, or maybe by cash, and I am not sure, but I think most of our business is done by checking.

Senator MUNDT. Anyhow, you want to stand on the statement that you have never written any checks?

Mr. GOSSEr. I trust my wife, and at the point I don't trust her, I think there is not much use living with her.

Senator MUNDT. I trust my wife, too, but I do not see how you get along without a checking account.

Mr. GOSSEr. I have three checking accounts, and I do not deny having a checking account, and I am just saying I do not sign the checks. I just want to say that so if he starts asking me something about the check, I went through this. You know, my problem is this isn't the first time I have been investigated for everything that you can be investigated for, and I have been investigated by the Detroit police for shooting Walter Reuther, and I have been investigated by the FBI, for I don't know how many things, and I have been investigated by the New York grand jury, and I was took there and told by the prosecutor in the presence of my attorney and Jack Conroy that if I signed a John Doe warrant, I had to sign a waiver of immunity so that anything they used against me, if they didn't indict me, that that would be completely destroyed, and my books would be returned, and it would never be used against me.

I have heard more about what I said before that New York grand jury than anything in a lifetime. I will tell you, I have kind of lost faith, and one of my greatest arguments with the prosecutor there was, "What was this check for?"

We did a little remodeling in the kitchen, and we got in a big argument over what the check was for, and I said, "Will you let me ask my wife?" and he wouldn't let me go out, and I said, "I can't tell you what the check was for," and so he finally decided after an hour and a half or 2 hours fight to let me ask my wife. And she said, "Well, that is for when we had them put that cupboard on the other side of the stove."

That is what the check turned out to be, and I just thought I would advise the Senator of that, so if we got in an argument, we might have to hassle over some check. Anything he produces, I am not trying to hide anything. By now, if I wanted to hide something, I don't know how I could hide it, and I don't think that I could hide anything.

Senator CURTIS. Have you ever owned any interest in any business in Toledo directly or indirectly other than the Colonial Hardware or the G. & S. Hardware?

Mr. GOSSEr. No.

Senator CURTIS. You have not?

Mr. GOSSEr. No.

Senator CURTIS. Or had any interest in it at all?

Mr. GOSSEr. No; you asked me that question.

Senator CURTIS. Now, you say you have never signed any checks. Have you ever made deposits?

Mr. GOSSEr. Now, in a couple of savings accounts that I had of my own, I made the deposits, and I drew the money out.

Senator CURTIS. Were those deposits in cash?

Mr. GOSSEr. Sure, some were cash and some checks.

Senator CURTIS. What was the biggest cash deposit you ever made?

Mr. GOSSEr. I don't know.

Senator CURTIS. About how big was it?

Mr. GOSSEr. No.

Senator CURTIS. You are a man with considerable means, and you say you do not write checks, and you do not sign them.

Mr. GOSSEr. I might be a man of considerable means, but I am nowhere near—

Senator CURTIS. Coming back to the chickens and turkeys, to whom do you sell those?

Mr. GOSSEr. I wouldn't know. The farm superintendent and my wife handle most of that.

Senator CURTIS. Do you know a man by the name of Chick Gross?

Mr. GOSSEr. Charlie Gross? Oh, surely.

Senator CURTIS. What is his business?

Mr. GOSSEr. Charlie works in the plant during the day and I would say Charlie does everything.

Senator CURTIS. Does he drive for you sometimes?

Mr. GOSSEr. If he would, Senator, it would be because of the fact that no one else was around, and he isn't much of a driver.

Senator CURTIS. Does he drive for you sometimes?

Mr. GOSSEr. I am just trying to recollect whether I ever let him drive me someplace, and I have my doubts, but I don't want to say "No." If you ever rode with him, you would know what I mean.

Senator CURTIS. Have you ever sold him any turkeys?

Mr. GOSSEr. I don't know. I assume my wife could have. I imagine he might have raffled off some of them; is that right?

Senator CURTIS. I do not know, but is he your employee?

Mr. GOSSEr. What is he?

Senator CURTIS. Is he not employed in your employ under your direction?

Mr. GOSSEr. Oh, no. Charlie Gross does not work for me.

Senator CURTIS. Who does he work for?

Mr. GOSSEr. He works for the Willys-Overland Motors, Inc., which is now the Kaiser-Willys.

Senator CURTIS. Does he ever drive, that is what I am trying to get.

Mr. GOSSEr. I am telling you again, so far as I can recall, I have never had Charlie Gross drive me anyplace.

Senator MUNDT. From what you said, he must have driven you at least once because you know what kind of a driver he is.

Mr. GOSSEr. This is a joke of our town, Charlie Gross and his driving. He is just looking at the lights and the scenery and everything and he is looking at everything except where he is going and everybody knows this, and so when we are going someplace and Charlie says "I will drive," everybody says "No."

Senator CURTIS. Is he in the poultry business?

Mr. GOSSEr. Oh, no.

Senator CURTIS. Why would he buy \$645 worth of turkeys on March 5?

Mr. GOSSEr. He is the type of a guy that would have sold them and made a buck.

Senator CURTIS. Were they used in a raffle?

Mr. GOSSEr. I can say that there is every possible chance, there are raffles all over town going on always.

Senator CURTIS. Where do those raffles take place?

Mr. GOSSEr. Well, you just have to ask Charlie Gross that, and I don't know where he has raffles and the American Legion has them and the K. of C.'s has them.

Senator CURTIS. Who has them?

Mr. GOSSEr. The union, and everybody has them.

Senator CURTIS. Where do the union raffles take place?

Mr. GOSSEr. I don't know, and I am not there. I am in collective bargaining and I am in Detroit, and I am sure I do a lot of things, but I am sure I am not in the raffles business.

Senator CURTIS. You sold your turkeys for the union raffle, for the purpose of that?

Mr. GOSSEr. My wife could have sold turkeys to Charlie Gross—

Senator CURTIS. Your wife did that?

Mr. GOSSEr. She could have, or the farm superintendent could have.

Senator CURTIS. Forty-five days later Charlie Gross bought \$340 worth of chickens.

Mr. GOSSEr. Sure. We used to raise as high as 5,000 chickens and as high as 1,000 turkeys. Sure, we were in business to make money and is there anything wrong with that? You come from a farm State.

Senator CURTIS. The fact of the matter is clear up to 1958; you are selling to the union, are you not?

Mr. GROSSER. No, I am not selling to the union up to 1958.

Senator CURTIS. Well, now, these turkeys and chickens at least part of them, were used in the union raffle; is that not correct?

Mr. GOSSEr. No, the union does not conduct any raffles as such. Somebody in the union might conduct the raffle but the union does not conduct the raffle.

Senator CURTIS. Well, you said, "We conduct them," and I asked you what you meant and you said, "The union."

Mr. GOSSEr. From that point, I was talking in general terms. So far as I am concerned, the union itself does not conduct any raffle; the only raffle that I know that the union conducts that they have an entrance raffle and half the proceeds go to the fellow that comes into the meeting and the other half goes for our new building.

Senator CURTIS. Now, do you know a man named Stanley Homaniack?

Mr. GOSSEr. Surely.

Senator CURTIS. What is his business?

Mr. GOSSEr. He works at the Willys-Overland plant.

Senator CURTIS. Does he have any other employment?

Mr. GOSSEr. I would not know what all he does in his life, and I don't follow him around.

Senator CURTIS. Does he do anything for you?

Mr. GOSSEr. Sure, he does about anything I would ask him to do.

Senator CURTIS. And Gross, also?

Mr. GOSSEr. Charlie Gross and I have been friends since we sold newspapers together, when we were 7 years old, and that is exactly 51 years ago, and I would say we are pretty friendly; wouldn't you, Senator?

Senator CURTIS. I think that you are. Now, have you sold Homaniak any turkeys and chickens?

Mr. GOSSEr. I wouldn't know any more than I would know about Charlie. I wouldn't think that Stanley would be as far into raffling as Charlie is, knowing the two guys.

Senator CURTIS. Here is a recent sale. December 29, 1958, \$500, chickens, received from Homaniak and self.

Mr. GOSSEr. He could have bought them.

Senator CURTIS. Were they used for a raffle, too?

Mr. GOSSEr. You would have to ask him that. I don't know.

Senator CURTIS. Here is \$7,899.68 in poultry sold in 1958 at a profit of \$5,196, and the purchasers are Charlie Gross, Homaniak, and then do you know a Martin and Jones?

Mr. GOSSEr. Yes.

Senator CURTIS. Who are they?

Mr. GOSSEr. They are fellows who work in one of the plants.

Senator CURTIS. What is Martin's first name?

Mr. GOSSEr. I don't know.

Senator CURTIS. What is Jones' first name?

Mr. GOSSEr. I don't really want to say that.

Senator CURTIS. And was Zvara in on that deal, too?

Mr. GOSSEr. Oh, come now, Senator.

Senator CURTIS. I cannot quite make it out.

Mr. GOSSEr. Senator, you are more intelligent than that.

Senator CURTIS. Did you sell him two steers?

Mr. GOSSEr. I told you that when I went in business I opened the door any anybody could buy anything off of me.

Senator CURTIS. This is farm produce in 1958.

Mr. GOSSEr. There is a possibility that Zvara bought a steer off of me and there is a possibility that one of you fellows up there bought a steer, and I don't know.

Senator CURTIS. Who are Sedler and Shellinger?

Mr. GOSSEr. Someone who bought something from me, I guess. You have got ahold of my income tax report, and you are reading one that bought something from me. So, from now on, why don't you just say the name and say what they bought and I will agree with it.

Senator CURTIS. Well, who is Sutton?

Mr. GOSSEr. I don't know and I am just going to agree with you.

Senator CURTIS. Who is Seaton?

Mr. GOSSEr. You tell me who he is and what he bought.

Senator CURTIS. I do not know.

The CHAIRMAN. If you know him, let us answer. Do you know him?

Mr. GOSSEr. There is a question as to whether I know him or not.

The CHAIRMAN. What is his name, Sedler?

Mr. GOSSEr. Anthony Sedler, is that right?

The CHAIRMAN. It does not show.

Mr. GOSSEr. Well, I don't know, and I know Anthony Sedler who was the chairman of the Willys Boosters at one time.

The CHAIRMAN. Who is Shellinger?

Mr. GOSSEr. That is Loretta, isn't it? Is there a name before it?

The CHAIRMAN. No. They bought \$500 worth of turkeys.

Mr. GOSSEr. The only Shellinger I know is a guy I went deer hunting with once and the other is Loretta Shellinger, and that is this guy's wife.

Senator MUNDT. What does the man you went deer hunting with do for a living?

Mr. GOSSEr. He is a plumber. They say he is a good one.

Senator CURTIS. Buddy's Box Lunch. Do you know any of those people?

Mr. GOSSEr. I would say I know them all.

Senator CURTIS. What are their names—the principal owners, that you know?

Mr. GOSSEr. There are just two brothers: Virgil, and I can't think of the last one.

Senator CURTIS. What is their last name?

Mr. GOSSEr. Gladio or something like that.

Senator CURTIS. They sell to some of the plants or they have a food contract in some of the plants?

Mr. GOSSEr. They sell all over there, and they cater to the plants, and they cater to the Toledo Club and all of the millionaires' homes and everything else.

Senator CURTIS. Do you sell any turkeys or chickens to them?

Mr. GOSSEr. I would be surprised if we didn't, because he is a big buyer.

Senator CURTIS. Now, Mr. Gosser, what is the Doehler Jarvis Council?

Mr. GOSSEr. The Doehler Jarvis Council is a council set up within the framework of our international union, known as the Doehler Jarvis Intercorporation Council, and out of that flows a national agreement with the Doehler Jarvis Corp., which is now a subsidiary of National Lead.

Senator KENNEDY. I wonder if I could ask a question there. I notice you made some references to the detectives who were interviewing you and you say are now involved in interviewing people in Toledo.

Mr. GOSSEr. Yes; the same detective agency, McAllister, who interviewed people and got people, I think, to distort the truth—in my opinion, anyway, Senator—along with a lot of other private detective agencies, when we had the fight with the employers, are now going to people's houses.

As an illustration, they went to one Dorsey Carr's house in Port Clinton, Ohio.

Senator KENNEDY. Recently?

Mr. GOSSEr. Just recently; yes.

Senator KENNEDY. Do you know whether they were doing that on behalf of whom?

Mr. GOSSEr. I don't know, but certainly the questions led me to believe, if this fellow is telling the truth, that they are trying to question me about things that somebody wants to ask me here.

Senator KENNEDY. Well, now, Mr. Manuel, is he working for you?

Mr. MANUEL. No, sir.

Senator KENNEDY. You do not know anything about it?

Mr. MANUEL. I have talked to Mr. McAllister over the phone.

Senator KENNEDY. How long ago?

Mr. MANUEL. About a week and a half ago.

Senator KENNEDY. Did you ask him to do any interviewing?

Mr. MANUEL. Yes; with Dorsey Carr.

Senator KENNEDY. Will you tell me who is compensating him?

Mr. MANUEL. No one.

Senator KENNEDY. Why is a detective agency interviewing for you if he is not being compensated?

Mr. MANUEL. I would be glad to tell you, sir.

Senator KENNEDY. I would like to know.

Mr. MANUEL. When we were examining all of these suitcases, he came across a report of operative A-100, and I did not know who he was or who signed it, but I got this stuff from Mr. Ells, and he is an attorney for the Toledo Blade, I believe, back there in the Bolman's suits, and this obviously came from that file. On this memo, it mentioned Dorsey Carr, and it was interesting, and I will read it if you like.

Senator KENNEDY. I am trying to find out about the detective agency.

Mr. MANUEL. I called Mr. Ells, and I said, "Can you tell me who prepared this report?" and it purported to be an interview with Mr. Dorsey Carr, dated November 9, 1949. He checked his files and he called me back and he said, "I checked with Mr. Dan McAllister, and he is the one who prepared this at my request in 1949," and he said, "I called Mr. McAllister and he will be glad to cooperate with you."

I then called Mr. McAllister and he said, "Yes, I have prepared this report myself," and he said, "Every word in there is true," and then I checked long distance and I found Mr. Carr, and that is the international representative who claims he had to kick back and who was in some other difficulties with Mr. Gosser, and he lives in Port Clinton.

I found out through long distance and I tried to get him at his home and I could not. Then Mr. McAllister volunteered that since I had found his present address, that he would call him and see if he could cooperate with the committee.

Senator KENNEDY. Was he doing that on behalf of Mr. Ells?

Mr. MANUEL. At my request.

Senator KENNEDY. Why would he do interviewing for this committee without compensation?

Mr. MANUEL. Senator, all he did was pick up the telephone and call Carr, as far as I know.

Senator KENNEDY. He did not make any personal call?

Mr. MANUEL. He might have and he said, "If I can't get him, I will drive over there."

Mr. GOSSE. He went down to Dorsey Carr's house.

Mr. MANUEL. He might have.

Senator KENNEDY. How far is that?

Mr. GOSSE. Close to 50 miles.

Senator KENNEDY. Was he driving down 50 miles and doing this interviewing and driving 50 miles back, and who is paying him?

Mr. MANUEL. He said if he had to, he would drive down as a courtesy.

Senator KENNEDY. Who is going to take care of the bill?

Mr. MANUEL. No one.

Senator KENNEDY. He is doing it for nothing?

Mr. MANUEL. Nothing, because I asked him to.

Senator KENNEDY. You do not know him, do you? You never met him?

Mr. MANUEL. No, sir.

Senator KENNEDY. Why is he spending half a day or a day?

Mr. MANUEL. I don't know how much time he spent, and I talked to him on the telephone and asked him if he could make the contact with Mr. Carr.

Senator KENNEDY. Did he interview anyone else?

Mr. MANUEL. Not at my request or not that I know of; no, sir.

Senator KENNEDY. Did you hear he interviewed anyone else?

Mr. GOSSEr. Well, Senator, I would rather refrain from answering your question, if you don't mind, because there has been something, and I have committed myself prior to being told anything that I would not reveal the source, because these people have children in school and high school and I am committed to that, and I think it would be improper for me to.

Senator KENNEDY. Would you answer the general question, whether you are aware whether Mr. McAllister has interviewed people recently in regard to these matters that are now being discussed other than the man whose name has already been referred to?

Mr. GOSSEr. As I said before—

Senator KENNEDY. Without indicating who they may be, you have heard that he has interviewed others?

Mr. GOSSEr. Yes, it came to my office.

Senator KENNEDY. Well, now, you do not know anything about this?

Mr. MANUEL. No, sir. I don't say that he has not done it, but I do not know. This Senator, ties in with a handbill, which I have here, and we plan to put that in later. It is a handbill that was circulated at Atlantic City convention in 1947, when Mr. Gosser was elected. I will make it available and let you inspect it, sir.

It purported to have photostatic copies of certain kickbacks made by one Dorsey Carr, who was international representative on Mr. Gosser's staff.

Now, the only reason I was interested in it was the memo from this A-100, and I had no idea who he was, purported to recite what happened at this interview. Mr. Carr recited to him that when he left the employment of Mr. Gosser—

Senator KENNEDY. Is Mr. Carr going to be a witness?

Mr. MANUEL. No, sir; I am merely telling you what it is.

Senator KENNEDY. Or Mr. McAllister?

Mr. MANUEL. He offered to be.

Senator KENNEDY. If it is going to be put in evidence we ought to get him under oath.

Mr. MANUEL. We were limited to the number of witnesses and the number of subpoenas.

The CHAIRMAN. I never limited you.

Mr. MANUEL. Senator Curtis did.

Senator CURTIS. I think I told him to hold this down so we could get through in 2 days.

The CHAIRMAN. I did not want the record to reflect that I did.

Senator CURTIS. We did not mean to imply that. I wanted to limit it within my request. I think Mr. Manuel should have the same latitude of reciting facts in here that our chief counsel does.

The CHAIRMAN. He has been reciting facts in answer to a question. It is not testimony. It is just a reply to a request for information from the Senator.

Senator MUNDT. Speaking for one member, I would like to know what is in this memo that has been the cause of this.

Mr. MANUEL. Could we go off the record?

Senator MUNDT. The whole thing is off the record or supposed to be.

Mr. MANUEL. Could I read this off the record?

The CHAIRMAN. Just a moment now. If you want to have a conference here between counsel and the members of the committee, that is all right.

Mr. MANUEL. I merely wanted to satisfy Senator Kennedy, and I think he is entitled to know this.

The CHAIRMAN. Do you want it on the record?

Senator KENNEDY. All I am trying to find out is about the detective agency. Whatever other material that Mr. Manuel wants to put in the record, it can be offered by him. I am merely attempting to find out now what the relationship is between the detective agency and this committee.

Mr. MANUEL. That is what I am trying to tell you, and it is as I explained. Now, this memo—

The CHAIRMAN. This is not testimony, just information.

Mr. MANUEL. But Senator Kennedy, I do not know who wrote this.

Senator MUNDT. A little louder, please.

Mr. MANUEL. I did not know who prepared this memo, and it is a carbon copy and it just had this number. Now, apparently, he was hired by Mr. Ells back in 1949. But the memo recites that McAllister went and talked to Mr. Dorsey Carr who had by that time left Mr. Gosser's employment. And Mr. Carr recites—

Mr. RAUH. Mr. Chairman, this will now put into the record what Mr. Carr is alleged to have told a detective when neither Mr. Carr nor the detective is here. That is a triple hearsay that Mr. Manuel is trying to get into the record.

The CHAIRMAN. Mr. Manuel did not initiate this conversation. He is replying to Senator Kennedy. Any statement that he is making here is not evidence, and I am perfectly willing now to take it all off the record. This is just back and forth for information. I think that is right, unless some Senator wants it on the record.

It is just information, as I might turn around here and ask someone what he knows about this. It is just for information for guidance, and it is not testimony. It does not belong on the record unless some Senator says he wants all of this conversation on the record.

Senator KENNEDY. Let me say, what I am interested in is what the relationship is between the detective and the committee.

The CHAIRMAN. You can ask him that if you desire, and it can be a part of this record, since it could properly be a part of the record.

Senator KENNEDY. As to what is in the memorandum, that is a question of whether Senator Curtis or Mr. Manuel wants to place it in the record. All I am trying to find out is what this detective is now doing for the committee and what his relationship with the committee is. Mr. Manuel has informed me that to the best of his knowledge, the only action taken by the detective was to reinterview this witness, is that correct?

Mr. MANUEL. The one contact.

The CHAIRMAN. At his request and after he contacted him, he suggested he do that.

Senator KENNEDY. Mr. Ells arranged the conversation. Now let me ask you, did you ever hear of Mr. Witherow?

Mr. MANUEL. No, sir.

Senator KENNEDY. You do not know anything that he may be doing for this committee in the State of Michigan?

Mr. MANUEL. No, sir.

Senator KENNEDY. His name is completely unknown to you?

Mr. MANUEL. Yes, sir.

Senator KENNEDY. A letter came in regard to a Mr. Witherow who said he represented the McClellan committee in the Renda matter. Do you know anything about that?

Mr. MANUEL. No, sir. Senator, I did not quite complete this, and I want to remove any inference that I am hiring private detectives because I am not. This memo, as I said now, recited, and I didn't know whether it was true, that Mr. Carr—

Mr. RAUH. Wait a minute. This is being read no longer in response to Senator Kennedy, but in an effort to get this into the record. I do not understand Senator Kennedy to ask Mr. Manuel to read third-hand hearsay that is derogatory to Mr. Gosser.

Senator CURTIS. Now, Mr. Chairman, on that, we have granted wide latitude to counsel or associate counsel throughout the years of the existence of this committee. They have recited facts and presented charts of relationships and many other things without adhering to the strict rules of evidence.

The CHAIRMAN. You do not want to put something in here, Senator, now that reflects upon somebody, unless it is evidence. I know you do not want to do that.

Mr. MANUEL. I offered to go off the record, and I am trying to satisfy Senator Kennedy.

The CHAIRMAN. Let us go off the record.

Senator CURTIS. May I proceed?

Mr. MANUEL. Is Senator Kennedy satisfied with my answer? I had not completed it.

Senator KENNEDY. You had not completed your answer?

Mr. MANUEL. This memo recited that this detective, and he was a detective, had interviewed Mr. Carr, and Mr. Carr said that he had made certain contributions to the flower funds or kickbacks—

Senator KENNEDY. Let us get it clear, and I do not think we want to attempt in any way to overstate and I am not expecting that you are going to attempt to imply that I have asked you to read this memorandum into the record.

I just asked you what you were doing with a private detective working for this committee.

Now, if in your answer you are attempting to go beyond that and read into the record testimony taken 10 years ago by the private detective, that is another matter. If you want to put that into the record you can do it on your own responsibility.

Mr. MANUEL. I have no interest in putting this in the record and I am merely answering your question.

Senator KENNEDY. You have answered my question as to the use of the private detective and why you hired the private detective is another question, and if you want to indicate that in the record, you can go ahead and do it but do not do it in answer to my question.

Mr. MANUEL. I did not hire a private detective.

Senator CURTIS. I would like to be heard on that, Mr. Chairman. Mr. Manuel has repeatedly said he did not hire a private detective.

Senator KENNEDY. I did not mean "hire." If I said it let me retract it and let us read what I said. Mr. Chairman, I ask that we read what I said.

(The reporter read the statement of Senator Kennedy.)

Senator KENNEDY. I will retract the word "hire," and I put in the words "secured the services of."

Senator CURTIS. I still do not believe that that is a correct description of what happened. Here was a man who was a party to certain transactions some time back. Mr. Manuel in his investigation runs into information that leads him to that name.

He calls up that man and asks him about it. Now, that does not make that detective rendering services for this committee.

The CHAIRMAN. He had a right to call up and ask him about it and if the detective, if he is a detective, then took it upon himself or agreed to go out and get information and deliver it or report what he found out to Mr. Manuel, it simply means this:

He was doing it as a favor to Mr. Manuel, if he was not hired or agree to be paid. I am not disturbed about someone cooperating with a member of the committee or a member of the staff of the committee to make inquiry and report back information.

But I am concerned about these reports coming in here that these people are going out and saying, "I represent the Senate committee." I am concerned about that and my judgment is, somebody is liable to get into some serious trouble about it.

I don't know. This is the second one, and we have another one of Mr. Vernon Johnson, a report here that he has been out doing that. He is not authorized to represent the committee. He is not on the committee staff and here is a letter before me now from another man that gives information to that effect, Mr. Witherow, and I do not know about it, but now may I say this to you:

If this is being done, if somebody is going out and talking in the name of this committee without authority, my guess is that they are getting on the borderline of criminal activities.

Senator CURTIS. May I inquire, Mr. Chairman, this letter produced this morning, is that Witherow?

The CHAIRMAN. The letter is not from Witherow.

Senator MUNDT. Who is the letter from?

The CHAIRMAN. The letter is from Wilbur De Young.

Senator CURTIS. Is he located in Toledo?

The CHAIRMAN. From Detroit.

Senator CURTIS. All of this hearing that I have had anything to do—

The CHAIRMAN. It says that a Mr. Sheridan informed him that he was contacted by phone yesterday by Mr. Witherow, who represented himself as an investigator for the McClellan committee and in reference to said lawsuit, "Sheridan informed me that he told Mr. Witherow to contact the writer," and the writer writing in here to know if this man Witherow represents the committee, and so he would know to receive him.

SENATOR MUNDT. Did you mention a lawsuit?

The CHAIRMAN. He refers to a lawsuit, and here is the letter.

Senator CURTIS. Mr. Chairman, I would be very surprised if you had received any complaints that anyone other than Mr. Manuel has

been employed to gather information that is being presented here in this hearing, in response to this arrangement that we could have these witnesses here.

The CHAIRMAN. I say, you can request anybody to get some information and if he is willing to do it, he would have the right to do it, but no man has a right to go out here and say, "I represent the McClellan committee," just because he has been requested by a member of the staff to get information.

Senator CURTIS. Have you any complaints that anyone did that in connection with this matter that I am trying to present?

The CHAIRMAN. I did not know about this matter that you are trying to present and this letter may refer to it.

Senator MUNDT. This refers to a lawsuit and I do not know how we are involved in a lawsuit, and he said he represents himself as an investigator for the McClellan committee in reference to the said lawsuit.

The CHAIRMAN. He is getting information regarding the lawsuit.

Mr. RAUH. We are aware of two complaints to that effect, Mr. Chairman.

The CHAIRMAN. The Chair is just making a statement. I am not saying anyone is guilty now at the moment, and I am just saying if such a thing is going on, someone is getting on the borderline of trouble.

Mr. RAUH. Mr. Manuel stated he was unaware of this, and Senator Curtis did, and we have been informed of two such instances where people not members of this committee represented themselves as members of this committee.

The CHAIRMAN. Let us proceed now with the hearing, if we can, and these matters may not go unnoticed, and they may engage the serious attention of the committee, if they are true.

This is no threat. No one has the right to go out and say he represents this committee unless he has official authority to do so.

Senator CURTIS. I think the record should be clear because the last 2 days of this hearing, there has been a report in the local press of what transpires here, and I have not given the press anything. I declined to give a list of the witnesses and all of that sort of thing, but I want it very clear that in response to my request that I could present this information relating to Mr. Gosser, that had come to me, that the only person who I have put to work is Mr. Manuel, and that we have not contacted private detectives and asked them to do things, or we have certainly not authorized anyone to speak that they represented this committee because Mr. Manuel and I have done all of this work ourselves.

The CHAIRMAN. I have not said that you did and I have not said anyone did it, but I am saying anyone who does it will have difficulty.

Senator CURTIS. The local press seems to have a way of finding out what goes on here in executive session, and they have the last 2 days, and they have a long story about it. I do not want to see that accusation in the press tomorrow.

Mr. GOSSER. Mr. Chairman, could I say something here?

The CHAIRMAN. I say one way you can keep them from getting a scoop is to put it in open hearings. I voted against open hearings, notwithstanding the request, because I have said it was understood

when we started out it would be in executive session. But there has been more said about these executive sessions leading up to the holding of the hearings for testimony, there has been more of that in the press, and I did not think that that was right.

I have been very unhappy about it because of the stuff that was in the paper down in my State, in Robert Allen's column, that might give the implication that I was not in command up here at all as chairman, and I was just being vetoed, so to speak.

Senator MUNDT. On that point, I would like to say something, because I understood these were going to be executive hearings, and I was a little bit amazed to read in the Washington Post that someone had given out the rollcall in the executive session.

I called the chairman and I thought that it was a prerogative of the chairman if he elected to do so, and I was not going to be critical, and John said he did not know.

I was recorded as abstaining, and I did not abstain. I voted "present," and I was here. If we are going to leak this out, I think they would leak it out accurately, and I was going to vote "present," and I did not care whether this hearing was open or closed, but I thought that was the proper thing to do.

It may be true that we can put this in open hearings and I am going to vote in favor of it instead of voting "present" next time, because I do not like these leaks that come out.

The CHAIRMAN. What the Chair is saying is that I do not know who is doing the leaking. I said to the press I would not tell them that a vote was taken and a motion was made or anything, and I don't know who did it.

The main thing about it now is when we have a committee of this nature or any other, whenever it gets to where we cannot have an executive session and the integrity of those sessions preserved and protected, then the committee is getting in a pretty bad way.

I say that without even implying that anyone did it, except as you see it in the paper, that there have been some leaks and some statements given out.

Now, I voted against public hearings for two reasons. The first was that I had announced that we would have executive hearings and I was going to start it that way. But if anyone gets any too unhappy about leaks, and so forth, as a result of these executive sessions, we can discontinue them.

Mr. MANUEL. I don't want to have anyone think that I hired a detective.

The CHAIRMAN. I didn't say that you had, but I said anyone who goes out and represents that, without that authority, is on dangerous ground.

Senator KENNEDY. You did more than make a phone call.

Mr. MANUEL. He never did call back.

Mr. GOSSEY. Could I possibly have the floor for just one moment?

The CHAIRMAN. I will let you ask the Chair a question. You may address a question to the Chair.

Mr. GOSSEY. There are two questions, because there is an inference about a leak, and I went out of here yesterday, and there was no one can challenge what I said, because it was said in the paper, and I said I understood you were going to have an executive session and it was a

secret meeting and I positively would make no comment and I walked right down the hall, and I haven't made any comment.

The question about the leaks being made, the only leak that I know, and it reads right here in the paper and it says:

The Republicans, through their counsel, Robert Manuel, had announced the inquiry will deal, among other things—

and then it goes on and it cites the five things. This is right in the paper.

Mr. MANUEL. That is very interesting, and I should like to know who misrepresented that. I have said no such thing to anyone.

Mr. RAUH. Could we offer, in view of that, in view of this thing, could we offer an AP story which I myself cut out of the paper yesterday morning, sir, out of the Philadelphia Inquirer, of August 12, with an AP story?

The CHAIRMAN. Let me see it, and let us proceed with the interrogation here.

Senator CURTIS. Mr. Gosser, I started to ask you to tell me what the Doehler Jarvis Council was, and you had started answering that.

Who makes up the council, the Doehler Jarvis Council?

Mr. GOSSEr. Well, it is made up of the plants that are owned by the Doehler Jarvis Corp.

Senator CURTIS. From the standpoint of the union?

Mr. GOSSEr. The workers in those plants.

Senator CURTIS. What individuals are on the council?

Mr. GOSSEr. What individuals are on the council, you say?

Senator CURTIS. Yes.

Mr. GOSSEr. On the council, I don't quite follow you. Everybody who works in the plant as a member of the union are members of the council in a sense. But they elect delegates that go to council meetings.

Senator CURTIS. Who goes to council meetings?

Mr. GOSSEr. You would have to furnish me the list. I wouldn't know.

Senator CURTIS. Do you have any relationship to the Doehler Jarvis Council?

Mr. GOSSEr. I have a relationship with 117 wage-hour councils.

Senator CURTIS. What is your relationship to that?

Mr. GOSSEr. I am director of all of them.

Senator CURTIS. You are the director?

Mr. GOSSEr. Yes, sir.

Senator CURTIS. And who are some of the other people on that council?

Mr. GOSSEr. It might sound strange, but now I know every one of them by Joe, Jim, and Pete, and that sort of thing.

Senator CURTIS. What is Pete's last name?

Mr. GOSSEr. I don't know; he works in the Batavia plant.

Are you trying—let me ask you. I want to be helpful to you. Are you trying to get to Zvara and the New York investigation? Is that what you are trying to get to?

Senator CURTIS. I want to know, yes; what Mr. Zvara's part in the council is, and what yours is, and what Mr. Love's is.

Mr. GOSSEr. I would like to ask the chairman to let me make one little brief statement and then I will proceed and answer every question that you ask me, if the chairman doesn't object.

I would like to say that you now are doing exactly what I said in a large meeting when I referred to this committee. I referred to you, and you take away from me my feeling that in America there is any true democracy left, when a person goes before a grand jury and he signs a waiver of immunity, and he is interrogated completely, and all of the evidence is there and everything, and you are now going to go back into that again—it seems to me that that is going pretty far, but help yourself, and I just want to say that.

Senator CURTIS. All I want to know is the operation of this council.

Mr. GOSSEr. Mr. Zvara is the assistant director, prior to his discharge by our union.

Senator CURTIS. Were you the director and Zvara was the assistant director?

Mr. GOSSEr. That is right.

Senator CURTIS. And what did Mr. Love have to do with it?

Mr. GOSSEr. Mr. Love was an organizer.

Senator CURTIS. Ernest Love was an organizer?

Mr. GOSSEr. Yes; and he worked at the Doehler Jarvis plant.

Senator CURTIS. Now, what does the council have to do, so far as selecting or vetoing or indicating the employment of these services such as the Charles Elliott Co. renders, in the Doehler Jarvis plant?

Mr. GOSSEr. I wouldn't know that. It would seem to me that if you wanted to know, first of all, I would like to say this for your benefit, Senator: There has been several arguments on this, and I suppose different meanings argued different ways.

Our contract says that the management will have the right to manage and conduct its business, and insofar as I am concerned, I have always interpreted that to mean that the management could hire anybody they wanted to, and they could engineer anything and they can do anything they want to, but up until the time they tried to change the working conditions of the workers who I represent or change their rates of pay or anything, I haven't got anything to say about it.

But the point they tried to do that, I have the right to intercede there and in behalf of the workers.

Senator CURTIS. In protecting the workers' interests, you are concerned with time and motion studies that might result in job eliminations or things of that sort; isn't that correct?

Mr. GOSSEr. I certainly would say I am interested in their working conditions.

Senator CURTIS. Yes; and when a company undertakes an endeavor of this kind, services rendered by the Charles Elliott Co., does the Doehler Jarvis Council have anything to do with OK'ing or approving what concern shall do it?

Mr. GOSSEr. Well, I think the best way to answer it, as I have already answered, what I understood lawfully the union's position is under the contract. I think if you say that the management has the right to manage and conduct its own business, in a contract, I think it means just that, and therefore, I think the management has the right to engineer anything they want or call in any consultant or do anything they want to.

Now, we are human, normal beings, and they assume a lot of things and I think sometimes these councils get into the point where they have the right to say "No" and they have the right to say "Yes," but in the book that I keep, if the employer said, "You don't have a darn thing to say about that," I would tell them that the employer is completely right until such a time as they change their contract, that they don't have anything to say about it. I myself have never tried to have anything to say about that.

Senator CURTIS. I am not contending that the practice is wrong, but is it true that when a company such as Doehler Jarvis undertakes to bring in a service such as the Charles Elliott Co. extended to them, that the council have something to say about selecting from a list of such concerns that offer that service?

Mr. GOSSEr. Well, let me say this: Maybe you are trying to get to something that I can't quite follow. First of all, knowing National Lead Corp., any time they make up their mind the council doesn't have the right, they will tell them, because National Lead is a pretty hard company to do business with, as far as that goes.

Just how far they went, or how far they let them go, I don't know, and I don't get into that detail. If they get to where they are going to have a strike or where they are negotiating an agreement, I help them through it and try to settle it peacefully. I work very hard, Senator, trying to resolve my problems in a peaceful sort of way. My 25 years of life will prove that in the American labor movement after the first struggles.

Senator CURTIS. The testimony here would indicate that in order to carry out one of these time and motion surveys, that resistance on the part of the workers makes it a very difficult thing, and the testimony here also, by Mr. Dale, and the checks are in evidence, and I have no objection to you looking at them——

Mr. GOSSEr. What would I want to look at the checks for?

Senator CURTIS. That they paid in excess of \$60,000 to the assistant director and you are the director.

Mr. GOSSEr. Why did the New York grand jury give immunity to Dale and Elliott and to the company? Why didn't they put Dale, Elliott, and the company and Zvara all in jail, and it would have been all right with me, Senator.

Senator CURTIS. I don't know why they didn't.

Mr. GOSSEr. That is all I can answer.

Senator CURTIS. What?

Mr. GOSSEr. I had nothing to do with it.

Senator CURTIS. What, if anything, did you know about this \$63,000 payment?

Mr. GOSSEr. I didn't know anything about it. In fact, I didn't know anything about the \$63,000. After Zvara talked with Walter Reuther and Emil Mazey, and in my absence, my administrative assistant sat in, I could be wrong now on this a few dollars, I think that he said something like \$34,000, and I never knew any otherwise than \$34,000 until—I can't remember when, but I am sure it was a long while after that.

Senator MUNDT. Would it be right if he took \$34,000 or wrong if he took \$63,000?

Mr. GOSSEr. I am not saying he was right if he took a penny, and I said why did they give him immunity, if there is something wrong lawfully, and I just want to say this, so that you and I won't misunderstand each other, because you have been very nice, and I would like to say, if there was some unlawful act in what the Doehler Jarvis Co. and Dale and Elliott—which was the two parts of the concerns and Zvara and all of them did—if there was some unlawful act there, I can't understand why they give anybody any immunity or anything, and I think that he should have put all of them in jail, and as far as I am concerned, I will say it without any reservation. I think any person that represents the American worker, and takes one penny to give the employer an in, I think he ought to be put in jail. But I think that the employer that gives him that penny ought to be put in with him.

I wouldn't share Walter's view of putting them in the same cell. I think that would stink the cell up too bad, and they ought to separate it a little bit.

Senator CURTIS. Did I understand you to say that Mr. Zvara told Walter Reuther that it was \$34,000?

Mr. GOSSEr. That is what I think, and I said I don't want—

Senator CURTIS. He declined to answer here, and we have the checks here running over \$60,000. Now, who got the balance?

Mr. GOSSEr. Well, you ask somebody.

Senator CURTIS. I am asking you.

Mr. GOSSEr. Who wrote the checks?

Senator CURTIS. The checks were all made to Peter Zvara.

Mr. GOSSEr. Why don't you ask Peter Zvara?

Senator CURTIS. I did, and he took the fifth amendment, and he is your assistant.

Mr. GOSSEr. No, he isn't my assistant. The day he said that he took that check he got fired. And you ought to know this.

Senator CURTIS. When he took the checks, he was your assistant.

Mr. GOSSEr. Senator, you ought to know this: That in the union, at one time I had 115 fellows working for me, and they come from all parts of the United States. It is just like people that might be on your staff, and I don't know where they come from, but I imagine they come from various parts of your State as far as that goes. So they are given to me, and they go to work for me.

Now, I suppose I am liable to them for a certain point, as far as that goes, but on a case of Zvara, when Zvara, as I said yesterday here, when the diecasters came into the UAW, I was opposed to the diecasters coming into the UAW and I was outvoted on the international executive board and they came into the UAW, and I was made their director by a motion of the international executive board.

If you are trying to infer that I got any of that money from Zvara, the grand jury records are very clear, and I told the prosecutor in New York after dueling around with him for 3 or 4 days and all of this 15-year- and 20-year- and 25-year-old stuff that you are bringing up here right now, I told him right out, "I never got one penny of it."

I challenged him to prove it and I asked him to indict me and I asked him to take me to court and try me. Now, a man can't do any more than that, and it is in the record.

Senator CURTIS. Some of this is in 1958.

Mr. GOSSEr. All right. I don't care when it is. I still didn't take any of it or get any of it.

Senator CURTIS. What do you know about it?

Mr. GOSSEr. Nothing.

Senator CURTIS. About this payment to Zvara?

Mr. GOSSEr. The first time I knew anything about it at all was when Joe Mooney called me up and said that now Walter wanted, and I think that he said Walter discharged Zvara because of the fact that Zvara made an indication that he had gotten money, and I don't want to be pinned down to the figure, but I thought it was around \$34,000.

Senator CURTIS. What else do you know about the transaction?

Mr. GOSSEr. That is it.

Senator CURTIS. You haven't talked to anyone else about it?

Mr. GOSSEr. I have had this from the New York prosecutor until it comes out of my ears, if you want to talk about that.

Senator CURTIS. I am talking about the union officials. Have you talked to anyone else about this?

Mr. GOSSEr. If you are trying to infer that I voted contrary to the rest of the international executive board—

Senator CURTIS. No. All I asked you was what other union people have you talked to about this?

Mr. GOSSEr. Well, first of all, the average person doesn't even know I am a vice president of the UAW, and I am not a guy to go around and be gabbing all of the time, and so I don't know what you are getting at. Why don't you help me with what you are getting at?

Senator CURTIS. I asked you what other union people you have talked to about this Zvara matter. Now, Zvara took this money and there seems to be no question about it.

Mr. GOSSEr. Now you are saying that, and I am not.

Senator CURTIS. Well, it is here in the evidence.

Mr. GOSSEr. All right.

Senator CURTIS. You can look at his endorsement on the checks.

Mr. GOSSEr. I don't want to see them, and I am not trying to be judge or prosecutor of anybody.

Senator CURTIS. They were paid, and I think very wrongfully, by an employer, but the thing that the employer got in return was the right for this time and motion study to go on, and in having that go on peacefully, the Doehler Jarvis Council was an important factor, and you are the director of that, and these checks were paid to your assistant.

Now, my question is: What union people have you talked to about this?

Mr. GOSSEr. Senator, I love to answer, and you said a little bit more than that, and so I want to answer it for you. The sound and tested going rate by the General Motors Corp., which is the largest corporation in America, in automotive business, including the parts business which Doehler Jarvis does, and they put out the pamphlet, and I have it here, is \$3.01 an hour. In the Doehler Jarvis plant the same average is \$3.83 an hour.

Now, would you think that they were paying—I negotiated this agreement, and would you think that they were paying me 82 cents an hour because they loved me?

Senator CURTIS. I have asked you what other union people did you talk to about Zvara getting this money?

Mr. GOSSEr. I don't know; I am asking you to try to refresh my memory, and I don't know whether I talked to anybody, and I have an opinion on it, if that is what you want. I don't know what you are trying to get at.

Senator CURTIS. I am merely asking you for the information, to whom have you talked to about this Zvara matter?

Mr. GOSSEr. I might have talked to a dozen guys.

Senator CURTIS. Who were they?

Mr. GOSSEr. I don't know. I talked to Walter about it.

Senator CURTIS. Who else?

Mr. GOSSEr. I talked to Emil Mazey, and I talked to the whole international executive board; let us say that.

Senator CURTIS. What did Emil Mazey say about this?

Mr. GOSSEr. I don't know.

Senator CURTIS. What did you say to him?

Mr. GOSSEr. All I got to do is, I said when they voted that they were going to try him, I voted, and I said that inasmuch as there was a question as to whether he was going to be tried by a civil court or not, and this was in the newspaper and I am not telling you news, that I thought that the union should refrain from trying him as to whether he had done anything morally wrong, because it might be misunderstood by somebody that would serve on the grand jury.

Now, this is my conception of due process. This is how I believe people should be treated. He had already been fired, and there was no argument there, and it was now whether we were going to kick him out of the union, but Zvara himself sent in his union membership and everything else, and that ended it, and there was no reason for trying him.

Senator MUNDT. Will the Senator yield?

Senator CURTIS. I yield.

Senator MUNDT. I am not completely familiar with the whole situation, and I would like to ask you a couple of questions in that connection.

Do I understand that the executive board of the UAW, which would be you and Walter Reuther and Emil Mazey, and how many more?

Mr. GOSSEr. There are 25 of us altogether.

Senator MUNDT. Do I understand that you had a sort of a hearing or a trial or a proceeding of some kind?

Mr. GOSSEr. We had a hearing.

Senator MUNDT. Involving Zvara?

Mr. GOSSEr. We had a hearing.

Senator MUNDT. And that at that hearing——

Mr. GOSSEr. He is now discharged.

Senator MUNDT. All right. At this hearing the question arose, No. 1, is Zvara going to be stripped of some official duties?

Mr. GOSSEr. Oh, no.

Senator MUNDT. And is he going to be kicked out?

Mr. GOSSEr. He was stripped of all duties and fired by Walter Reuther and Emil Mazey and my administrative assistant the day he admitted this.

Senator MUNDT. At this hearing, then, the question was whether he would be kicked out of the union?

Mr. GOSSEr. Yes, sir.

Senator MUNDT. You had this hearing, and he testified; did he?

Mr. GOSSEr. No.

Senator MUNDT. You just looked at the evidence that was available from other sources?

Mr. GOSSEr. That is right.

Senator MUNDT. And was a vote taken as to whether he was kicked out of the union?

Mr. GOSSEr. There was a vote taken that we would put the trial procedure of the constitution into effect, which meant try him to see whether he was guilty of conduct unbecoming a union member, and should be expelled from the union.

Senator MUNDT. And a vote was taken on that?

Mr. GOSSEr. That is right.

Senator MUNDT. Twenty-five voters were there; 25 people participated.

Mr. GOSSEr. I wouldn't say every board member was at that meeting.

Senator MUNDT. A quorum of the 25?

Mr. GOSSEr. There was a quorum.

Senator MUNDT. What was the vote—unanimous?

Mr. GOSSEr. All of them voted excepting me, and I voted against it.

Senator MUNDT. All kicking him out of the union except you?

Mr. GOSSEr. No. You are saying that wrong, and you are trying to add some wrong words there.

Senator MUNDT. You thought he should be kicked out of the union?

Mr. GOSSEr. Senator, I would like to say this to you: You know as we grow older we shouldn't try to say things so fast. Up until now I thought you were conducting yourself fine, and now I am detecting something else there.

Senator MUNDT. There was a vote taken.

Mr. GOSSEr. I said that I felt as an individual that inasmuch as there was a question as to whether Zvara was going to be tried by a jury, that I didn't think that we in the union should try him for moral conduct when he was going to be tried for violating a law, because there might be somebody in the jury that might say, "Well, the UAW finds him guilty, and he must be guilty," and I have my own personal feelings.

Now, Senator, regardless of what might happen to me today, I am entitled to my feelings as a human being. Nobody will change me; nobody will change me. There are a lot of people have tried.

Senator MUNDT. Back to my question now, after the hearing was held, I asked you if a vote was taken and you said "Yes."

Mr. GOSSEr. Yes, sir.

Senator MUNDT. And I said the vote was unanimous.

Mr. GOSSEr. And I said I voted against it.

Senator MUNDT. You voted "No."

Mr. GOSSEr. But you inferred to kick him out.

Senator MUNDT. That is what I thought the vote was for.

Mr. GOSSEr. The vote was to trying him under the constitution.

The CHAIRMAN. Was he to be tried?

Mr. GOSSEr. To find out whether his conduct was unbecoming a union member, and, of course, at that point then the trial committee, the international executive board in our constitution has nothing to do with that.

The CHAIRMAN. It was whether you would indict him or not. That is what it amounted to?

Mr. GOSSEr. I think so; yes.

Senator MUNDT. What I am trying to find out is what the motion was that you voted on.

Mr. GOSSEr. I believe that we should have waited until after the trial, that we shouldn't help indict him.

Senator MUNDT. I am trying to find out what the motion was that you voted against. I thought you told me—

Mr. GOSSEr. That he should be tried by a trial committee.

Senator MUNDT. The motion was that he should be tried by a trial committee under your constitution?

Mr. GOSSEr. That is right.

Senator MUNDT. And you voted "No," and the others voted "Yes"?

Mr. GOSSEr. That is right.

Senator MUNDT. At what time did he get kicked out of the union?

Mr. GOSSEr. He got kicked out of the union long before this. No; kicked out of the union; wait a minute, I am wrong. He sent in a letter to the international secretary-treasurer or the president wherein he tendered his card, and I think that he said, or I don't remember the exact words, I suppose we could produce a copy of it.

Senator MUNDT. You mean he resigned?

Mr. GOSSEr. Yes, sir.

Senator MUNDT. That was after this meeting that you are talking about now?

Mr. GOSSEr. Yes, sir.

Senator MUNDT. About how long after?

Mr. GOSSEr. I would say—

Senator MUNDT. You can supply it for the record?

Mr. GOSSEr. Yes. I can get that for you.

Senator MUNDT. All right.

Mr. GOSSEr. I would assume a month or two.

Senator ERVIN. I wonder if Senator Curtis would yield to me to ask something on this point to clarify the thing.

As I understand it, or infer from your testimony, the charge was made that Zvara, or rather, from your testimony, you were informed by your administrative assistant that he had attended a meeting at which Zvara was questioned by Walter Reuther as president of the UAW, as to whether he, Zvara, had been taking this money from the Elliott Co.?

Mr. GOSSEr. That is right.

Senator ERVIN. And your administrative assistant informed you that Zvara had admitted to Walter Reuther that he had taken money from the Elliott Co., which as you recall your administrative assistant sold you amounted to some 30,000-odd dollars?

Mr. GOSSEr. That is correct.

Senator ERVIN. Now, you knew nothing about that meeting except what you were informed either by him or others.

Mr. GOSSEr. I was asked to come to the meeting, but I was in negotiations and didn't want to break them off and they thought it best not to.

Senator ERVIN. So you sent your administrative assistant?

Mr. GOSSEr. That is right.

Senator ERVIN. And your administrative assistant informed you that after Zvara admitted at that time that he had received the money from the Elliott Co., Walter Reuther, as president of the UAW, removed Zvara or informed Zvara that he was removed from his union offices.

Mr. GOSSEr. Right then and there; yes.

Senator ERVIN. Then several days later, your executive board had a meeting which you attended.

Mr. GOSSEr. That is right.

Senator ERVIN. And the question came up before your executive board as to whether or not Zvara should be tried by a trial committee.

Mr. GOSSEr. That is right.

Senator ERVIN. On two charges, first, the charge of having received this money, and second, the charge that he had failed to comply with the request that he voluntarily appear before the New York grand jury.

Mr. GOSSEr. Oh, no; because of his moral conduct.

Senator ERVIN. The question came up—

Mr. GOSSEr. I think that you are right, and I think there were three; that was in it, too.

Senator ERVIN. And you had a vote on the question, and the majority voted that there should be a trial committee set up to try him on these charges.

Mr. GOSSEr. That is right.

Senator ERVIN. And you voted against that motion because you felt that the matter was being investigated by the grand jury in New York, and there was a possibility that the grand jury might return an indictment against Zvara, in connection with receipt of this money, and you felt that there might be some danger of prejudicing his right to a fair trial in the courts if the trial committee proceeded with the hearing before the question of whether the grand jury would indict him was settled.

Mr. GOSSEr. I would say that you, Senator, said it very clearly and exactly as it happened, just about exactly.

Senator ERVIN. And you either voted by yourself or with the minority against the action taken by the executive board.

Mr. GOSSEr. I voted by myself, because I never want to be a part of judging someone.

Senator ERVIN. Now after the executive board voted to set up the trial committee, a trial committee was set up, was it not?

Mr. GOSSEr. Yes; they were in the process of setting up the trial committee when Mr. Zvara sent in his card, and his resignation.

Senator ERVIN. In other words, when he was given notice to appear before the trial committee and answer the charges, which the majority of the executive board had ordered be preferred, he then sent in his resignation as a union member?

Mr. GOSSEr. That is right.

Senator ERVIN. That is all.

Mr. GOSSEr. There is a question in my mind as to whether the trial—I don't think the trial committee was set up yet but it was in the process of being set up.

Senator ERVIN. When charges were served on him?

Mr. GOSSEr. Yes, sir.

Senator ERVIN. Then do you know when it was that he resigned and can you give us the date?

Mr. GOSSEr. I would say it was somewhere in the neighborhood—I think the chairman has indicated and I don't have to be specific to the day, and so I would say it was somewhere between 6 weeks and 2 months from the time that he was discharged until the time he sent this letter in.

The CHAIRMAN. Discharged from the offices he held?

Mr. GOSSEr. Yes, sir.

Senator ERVIN. He was discharged first by Walter Reuther when he confessed that he had received the money, and then Walter Reuther's action in that respect was confirmed by your executive board at the same meeting at which they voted to prefer charges?

Mr. GOSSEr. That was the unanimous vote, and there were two votes taken, and the discharge was unanimous.

Senator ERVIN. You say it was somewhere in the neighborhood of between a month or 2 months from the time?

Mr. GOSSEr. I think between 6 weeks and 2 months.

Senator ERVIN. After he made the confession, until he sent in his resignation as a union member?

Mr. GOSSEr. That is right.

Senator ERVIN. In other words, you do not have authority to expel a union member without a trial?

Mr. GOSSEr. That is right. Our constitution provides that we have to set up a trial committee, which is made up of the membership, and our international doesn't have the right to try any member.

Senator ERVIN. In other words, you have the authority or the president and the executive board could remove a union officer from office—

Mr. GOSSEr. Pending trial.

Senator ERVIN. Pending trial, if they thought his conduct warranted it?

Mr. GOSSEr. That is right.

Senator ERVIN. But they would not have the right to expel him from membership in the union itself.

Mr. GOSSEr. No one has that right except the trial committee, and then the trial committee has to be upheld in our international convention.

Senator MUNDT. I don't want any speculative answers on the part of the witness, because he was recalling from memory to invalidate the earlier agreement which we made that you were going to supply from your records, when you look them up, the date that Walter Reuther discharged him from his office, and the date on which you had this vote on which you voted in the negative, and the date when he sent in his card.

You are going to supply those for the record, specifically, as I understand it.

Mr. RAUH. I am making a note of it, but I would like to point out, Senator Mundt, that I think the first part of that is all available, in those administrative letters, and I would suggest that they be made a part of the record. I supplied the staff with that.

The CHAIRMAN. Do you have these documents here that would verify the dates of these things?

Mr. MANUEL. They were circulated, Mr. Chairman, and they are not in the record. I have a copy of them. I know they were circulated in here.

Senator MUNDT. The simplest way is to provide the dates for the record and then go on with the show.

The CHAIRMAN. I am trying to get them, if you have the documents here to show them. I am trying to get it and insert it in the record now.

Mr. RAUH. I am looking at this circular. They are here, sir.

Senator MUNDT. All three dates?

Mr. RAUH. Not the third date, I don't believe, but the first two are.

Senator MUNDT. What are the dates?

Mr. RAUH. I am reading now from UAW administrative letter of April 12, and it starts:

At a meeting on the morning of April 7, in Solidarity House, I had for the first time the opportunity to discuss personally with Mr. Peter Zvara certain matters—

and there is a letter signed by Walter Reuther, and this is the date of the discharge.

Senator MUNDT. He was discharged the same day?

Mr. RAUH. Yes, and this letter is evidence of that.

Senator MUNDT. The date of the meeting we have been discussing here for the last half hour.

Mr. GOSSEr. What the Senator wants, as I understand, is the date that he actually sent in the letter.

Mr. RAUH. I have that in the second letter, which is a letter of June 3, 1959, from Walter Reuther, and it states:

The international executive board upheld by action at an emergency session on April 9, 1959, in Washington, D.C., and also voted to file charges against Mr. Zvara, and place him on trial under articles 29 and 30 of the UAW constitution.

Now I have the third date. It says:

On April 14 and May 14, Mr. Zvara was notified of the charges against him and of his rights under the UAW constitution, but failed to appear or send a representative to the international executive board meeting on May 26, to participate in the selection of a trial committee. Instead, Mr. Zvara sent a letter to all members of the international executive board dated May 22 in which he viciously attacks me, the international executive board, and the democratic trial procedure in the UAW constitution, and in his letter Mr. Zvara refuses to appear before any properly selected trial committee and voluntarily terminates his membership in the UAW.

So that is the third date.

The CHAIRMAN. Just a moment. Now a question has arisen about this being turned down yesterday, and you have been asked to supply the dates. Are you able to say from this, does that refresh your memory now so you can testify as to those dates?

Mr. GOSSEr. Those are the dates, Senator.

The CHAIRMAN. That refreshes your memory, and the document will not be made evidence, but if you, from that, refresh your memory, and you say those dates are correct, then I accept it.

Mr. GOSSEr. Those dates are correct.

The CHAIRMAN. Now you don't have the third date.

Mr. GOSSEr. Yes; the third date is in there.

The CHAIRMAN. Is that in there?

Mr. GOSSEr. Yes.

The CHAIRMAN. Now have we all three dates, the date he was discharged, and the date of the meeting, and the date he resigned?

Mr. GOSSEr. Yes, sir.

The CHAIRMAN. We have all of three of them and the record is clear?

Mr. GOSSEr. Yes, sir.

Senator CHURCH. Mr. Gosser, I think that your testimony this morning, and your response to the inquiries put to you by Senator Ervin, has certainly made a record with respect to the action that was taken in the union in discharging Mr. Zvara, and that ultimately led up to his resignation from the union itself. But I would like to ask you one or two questions with regard to a matter that came up yesterday as to why the union did not conduct the trial proceedings against Mr. Zvara.

In that connection, I want to read to you two statements that appear to have been made by Walter Reuther in this administrative letter. They are as follows:

Since I discharged Mr. Zvara as an international representative, and since he has voluntarily terminated his membership in the UAW, Mr. Zvara's ties with our union have been completely severed, and he can no longer serve in any capacity anywhere in our union.

Although the international executive board had prepared to proceed to set in motion the democratic trial procedure, it was decided by the international executive board that no practical purpose would be served because Mr. Zvara's action terminating his UAW membership fulfilled the maximum penalty which the trial committee could impose.

Now you are familiar with the constitution of the UAW; are you not?

Mr. GOSSEr. Yes, I am, Senator.

Senator CHURCH. The first question I would like to ask is this: Is it so, that the trial committee, had a trial been held, could have imposed no greater penalty than having disbarred Mr. Zvara from membership in the union?

Mr. GOSSEr. That was the greatest penalty it could have imposed.

Senator CHURCH. So that even though the board might have had continuing jurisdiction to try Mr. Zvara, assuming that to be so, it could have done no more than Mr. Zvara did by his own action?

Mr. GOSSEr. That is right.

Senator CHURCH. Did you understand my question?

Mr. GOSSEr. I would like to get that over again.

Senator CHURCH. Since Mr. Zvara had already resigned, and since the maximum penalty that could have resulted from the trial would have been to remove him from the union, then there was no practical reason to try him following his resignation, assuming that the trial court would have had jurisdiction to do so?

Mr. GOSSEr. Yes, we discussed that and the board felt that the only thing that could be gained by that, because nothing more could have happened to Zvara, and all we could have done is embarrass his two kids that were in school, and we didn't see any reason for pursuing that, with just one newspaper story after another.

Senator CHURCH. Now let me ask you this: Isn't it also a very serious question as to whether or not the trial court could have had any jurisdiction to try Mr. Zvara after he had terminated his membership in the union?

Mr. GOSSEr. It seems to me if he would have gotten a lawyer, there would have been quite a long hassle as to whether we could proceed there.

Senator CHURCH. In other words—

Mr. GOSSEr. He was no longer any part of us, and, therefore, how can you try?

Senator CHURCH. It is essentially a fraternal organization, isn't it, and the Elks Club can conduct a trial proceeding against an Elks member, but if the member resigns from the Elks, then the tribunal has no further jurisdiction.

Mr. GOSSEr. You are correct, Senator.

Senator CHURCH. So for both of these reasons, then, there seems to be no purpose to be served by continuing with a court proceeding, once Mr. Zvara had resigned from the union.

Mr. GOSSEr. That is right.

Senator CURTIS. Now Mr. Gosser—

Mr. GOSSEr. Before you ask me a question, Senator Curtis, I would like to make one inference here, because there has been so many questions asked this morning.

You made an inference, or at least I think on that record, that you had \$34,000 worth of checks, but there was \$60,000 received or something like that.

Senator CURTIS. The checks run over \$60,000.

Mr. GOSSEr. I was going to say, because so far as I know, Zvara said that all of the money he received, he received by checks, and I didn't want the wrong inference left here.

Senator KENNEDY. I think the inference was that you said it was \$34,000, and it was \$60,000, and you said it was \$34,000 in discussion with Walter Reuther, and then Senator Curtis said, where did the difference go, and I think the mistake was in your statement that you recalled that the amount was \$34,000, when actually it was over \$60,000.

Mr. GOSSEr. You are right, Senator.

The CHAIRMAN. It could very well have been \$34,000 that he got, to his part of it, if there was someone else in on the deal, and it may be that he told Walter Reuther that he got \$34,000 as his part of it, and you don't know.

Mr. GOSSEr. I don't know what he got.

The CHAIRMAN. I can understand how the discrepancy, and I think it is \$69,000 by checks, and if he was getting half of it in a shakedown, or commission, or whatever it was, he kept saying according to the testimony here, he had to divide with the boys or somebody, and now if he was getting half of it, then \$34,000 that he got would be approximately half of the \$69,000 that the checks represent.

You have testified that you got no part of it.

Mr. GOSSEr. I would like to read this, Senator.

The CHAIRMAN. Just a moment. You testified that you got no part of any of it.

Mr. GOSSEr. I testified that I got no part of it and if you don't mind, I would like to read this very short affidavit.

The CHAIRMAN. You got no part of any of it and you didn't know the transaction was even going on.

Mr. GOSSEr. That is right.

The CHAIRMAN. And you had no information about it whatsoever until it was disclosed to Walter Reuther.

Mr. GOSSEr. That is correct.

The CHAIRMAN. Now you may read your statement.

Mr. GOSSEr. This is an affidavit:

Peter Zvara, being duly sworn, deposes and says that he resides in Sylvania County, that the foregoing statement is being made of his own free will and volition, and the affidavit further states that at no time did he ever pay over to or give any money or moneys of anything or any value to any person or persons, and more specifically to Richard Gosser, which arose out of the employment of affiant, participation, negotiations, collective bargaining, or otherwise, or in any manner whatsoever with employers and employees, and other activities.

Senator CURTIS. Now, Mr. Zvara was here and asked about these transactions, and he took the fifth amendment.

The CHAIRMAN. Yes, sir.

Senator CURTIS. Now, Mr. Rauh produces Mr. Zvara's statement for Mr. Gosser to read, after Mr. Zvara has taken the fifth amendment, wherein Mr. Zvara does testify and says that no one got it.

Now, I do not think that that is proper procedure here. Mr. Zvara was asked if anybody got it and he took the fifth amendment. Now, Mr. Chairman, Mr. Gosser has a right to defend himself, now, and he certainly has a right to present anything in answer to these questions that would substantiate or corroborate the testimony that he gives directly.

He says he didn't get any of it, and now he says this fellow that got the money has made an affidavit saying that he didn't give Gosser any of it, and I think that that is all right.

Mr. GOERLICH. The affidavit—

The CHAIRMAN. I think as a matter of fairness, if he has an affidavit from Zvara, he has a right to say "I have it here," where he says he got none of it, notwithstanding that he took the fifth amendment.

Now, I don't know who is telling the truth.

Senator CURTIS. I would like to go on, because I think that we can finish.

Mr. Gosser, who else was designated officers in the Doehler Jarvis Council besides you as the director and Zvara as the assistant or associate director, or codirector?

Mr. GOSSEr. The assistant director.

Senator CURTIS. Are there any other officers?

Mr. GOSSEr. Yes, there is a president, and a secretary, and a treasurer.

Senator CURTIS. Who is president of it?

Mr. GOSSEr. Would you let me submit those names to you?

Senator CURTIS. Is Ernest Love the president?

Mr. GOSSEr. He is none of them.

Senator CURTIS. Now, I think it is rather strange that here these payments are made and they could have resulted in favorable action on the part of the Doehler Jarvis Council that would have permitted Charles Elliott Co. to proceed with their work. Great sums of money are involved. You are the director.

Now, had you delegated to Mr. Zvara your duties and responsibilities in this?

Mr. GOSSEr. Well, I think it is better answered by saying this here, that if you were chairman of as many councils as I am, you would recognize the fact that you can't be at all of them. There are some times on a weekend, there are eight of them going on, and one might

be in Atlanta, one might be in Cleveland, and one might be in Chicago, and one might be in New York, and one might be in Milwaukee, and now if you will tell me how I do make them all, I would be very glad to do it. Some of the fellows want to know why I don't make them all, but I just can't make them, Senator.

Senator CURTIS. But this was right there in Toledo.

Mr. GOSSEr. He has been furnished to me as an assistant and I make one and they make the rest of them, and I always try to pick out what I think is the most important and the most urgent, and as I said very clearly here today, I just can't say this plain enough for you, because it might possibly reach you: In the beginning of this movement, I struggled as hard as anyone to build it, but during the course of my life in this movement since it has been accepted by, in my opinion, the great majority of the people of our society—the right-to-work bill in Ohio proved that—but I have dedicated myself to trying my hardest to have good management-labor relations.

You raise one question, and that is the question as to an inference as to what this company got by that. Right here, and certainly you don't think I run General Motors, and right here is General Motors' book, and they showed that their top average earnings after everything is \$3.01 and right here, and I submit both of them for evidence, is Doehter-Jarvis, the one you are talking about, and it shows \$3.83, or 82 cents more an hour.

Senator CURTIS. We have gone into that, but now, Mr. Gosser, the fact remains that your assistant director did get this money, and he testified under oath, and he admitted to Walter Reuther that he got part of it, and it has also been testified here that he asked people from whom he got the money to have something to show as to how much was coming, because he had to go back and show the boys.

Mr. GOSSEr. I don't know anything about that.

Senator CURTIS. This happens with your assistant director.

Mr. GOSSEr. I don't know anything about that, Senator, and one of my assistant directors might be beating his wife right now and that isn't my fault.

Senator CURTIS. But that isn't a union matter. That isn't something that your assistant does.

Mr. GOSSEr. There is a question as to whether he got a finder's fee, and whether it is lawful or not, and it seems to me that the courts ought to determine that, and I don't want to be judge or jury over anybody.

I realize that there is going to be a judgment day, and I have to face it. But so far as I am concerned, I just want to say one very plain, simple thing, and I think it concludes it. I don't want to say who Zvara had to show anything to, and what he had to do, or anything else. I have said under oath to you, Senator, as nice as I can, and I have tried to be nice here, I think you and I seem to be having this hassle and I think I can understand or at least I have my opinions and I suppose you have your opinions as to why you want to pursue this here, but I just want to say to you that I have said under oath that I did not get any of this money, and unless I am wrong, there is now a procedure for you to turn this over or turn it back—I have been before the grand jury on it, and I went there voluntarily, and I waived immunity, to prove that I didn't get any

of it, and what do I do? Do I shoot myself because I can't convince somebody?

Senator CURTIS. Mr. Gosser, the fact remains that for official union activity of some kind, your assistant got this money, and you have also stated under oath that you couldn't remember who all you talked to about it, and you can't remember what you said to them, nor what they said to you.

Mr. GOSSEr. You are speaking of one of 70 assistants, and not an assistant.

Senator CURTIS. But here is the thing—

Mr. GOSSEr. I am sure we didn't talk about whether he was going to get any money off the Elliott Co., and this is what you are pursuing, and this is what the prosecutor in New York pursued.

Senator CURTIS. When this came to light, and your assistant got this money and he comes in here and he takes the fifth amendment.

Mr. GOSSEr. Now don't say my assistant. He isn't my assistant now.

Senator CURTIS. You were the director and he was the assistant.

Mr. GOSSEr. But he has been discharged, and you can say my ex-assistant.

Senator CURTIS. When this happened he was. The normal and natural thing for you to do would be to find out. What about it?

Mr. GOSSEr. What about what?

Senator CURTIS. These transactions, and you come here under oath, and you can't even remember who you talked to about it, and what was said.

Mr. GOSSEr. I talked to who about it? I told you I talked to the whole international executive board about it, and I don't know whether you are sitting up there with some one guy that I forgot or something the way you are acting and I am sure that I talked to the whole international executive board and I talked to my administrative assistant, and I have a great question in my mind, Senator.

I have a great question in my mind as to a finder's fee, and I don't want to say this to you wrong, but at 58 years old I am not going to change my way of life for nobody. I have had two heart attacks, and I am willing to meet my maker tomorrow, and I am not going to be the person that judges Zvara, and at the point where Zvara says he took all of this money in cash, and he put it all in the bank, and he paid his income tax and everything, there is a great question in my mind as to whether Zvara thought he was doing something right or wrong.

Senator CURTIS. The fact remains, the rights of the workers were involved here.

Mr. GOSSEr. The rights of the workers were not involved there. These workers are 82 cents an hour higher than General Motors.

Senator CURTIS. You told us that, but the rights of the workers were involved.

Mr. GOSSEr. How?

Senator CURTIS. It was your assistant, and you treat it very casually here.

Mr. GOSSEr. What do you mean, treat it casually?

Senator CURTIS. Yes, you do.

I asked who you talked to about it, and you can't remember.

Mr. GOSSEr. When the people in your State reject and you are no longer Senator, and you have lost your job, will you call me up and tell me whether that is taking it lightly or not? After Zvara was fired and lost his job and had been disgraced in the city and his kids went through hell, I didn't think that was taking it lightly.

Senator CURTIS. I think that it is taking it lightly.

Mr. GOSSEr. What am I supposed to do?

Senator CURTIS. Let me finish. Your assistant got this money, and you pretend now that you do not know what happened, and you did not reveal any conversation that you had with anybody, and assuming that your first notice of it was after it came to light. The natural and normal thing for you to do was to find out what are the facts of this transaction, but you pretend not to know anything about it, and it went on with your assistant.

Mr. GOSSEr. Wait a minute. Senator, if you are trying to infer have I tried to find out the facts, I have asked the company what the devil they hired such an outfit as this for, and I have asked the company that.

Senator CURTIS. But I also asked you.

Mr. GOSSEr. And the company tells me, and should I go back and call the company a liar, they tell me that they didn't know that this engineering concern was going to give anybody any money. What should I do with the company?

Senator CURTIS. You also stated, Mr. Gosser——

Mr. GOSSEr. You said did I talk to anybody in the union about it and let us get what you said. I have talked to a lot of people other than the union.

Senator CURTIS. And even though it involved your assistant, you are not giving this committee any information as to what took place there.

Mr. GOSSEr. What information can I give you? If you will tell me what you want me to give you, I will give it to you.

Senator CURTIS. I want all of the information that you have before this.

Mr. GOSSEr. I will give it to you.

Senator CURTIS. I want all of the information that you have about this.

Mr. GOSSEr. Well, all of the information I have, you have. I was before the New York grand jury.

Senator, I want to say this to you, and I want to say it in all due respect to your job, that you have the minutes of the New York grand jury, and that prosecutor tried every way in the world, and this goes with a little joke if the chairman might say this, my attorney told me, you make up your own mind, you are going to get indicted, and you have 1,000 to 1 chance, and they made up their minds, and I said "Well, I always wanted a 1,000 to 1 chance and I think that I will sign that waiver of immunity and go in there and get myself indicted and see whether I can beat it," and Scotti got mad because I said that.

Now, I didn't mean it in the respect that Scotti said it, but I meant it in the respect that I had not done a darn thing wrong. Now the prosecutor went all of the way, all through this hearing, and I knew nothing of it. I was called up and told of it, and now Elliott Co. didn't tell me, and I was mad. I was very mad, and a lot worse than

you would infer that you are to think that some corporation had done something like this, because there is one thing about it. You see, Senator, I grew up in the old days of this, and I grew up when the employer did pay off the fellows, and I grew up when Bart Fury was a Pinkerton detective, and he was on our committee in the plant, and I grew up all through this. I went to this company, and I just raised the devil, and all the company said was that we know nothing of this, and this is a complete surprise to us. What else can I do? You tell me and I will do it.

Senator CURTIS. I want to say this, you are not the first labor leader that has come before this committee who has had power to perform the quid pro quo in a situation that resulted in somebody taking some money, and their subordinates take the fifth amendment and then they say they did not know anything about it.

Mr. GOSSEY. Let's you and I get down that first one word there. I graduated out of the reform school and you brought that out this morning.

Senator CURTIS. I did not.

Mr. GOSSEY. Yes, sir; you did.

Senator CURTIS. I was not going into that, and you insisted on telling it.

Mr. GOSSEY. Let us talk a little plainer to me. What did you say, Senator. Say it over again, plainly, that one word, and let us get out of that one word, because I don't understand it.

Senator CURTIS. I used the expression "quid pro quo."

Mr. GOSSEY. What does that mean?

Senator CURTIS. This money was paid by Charles Elliott Co. for a purpose, and the purpose was so that they could carry on these time and motion studies, and in order to do that they had to have at least the goodwill, if not the cooperation, of the Doehler Jarvis council.

Mr. GOSSEY. If that is what you are saying—

Senator CURTIS. And you are the director of that?

Mr. GOSSEY. Well, that is just fine, and now I have a lot of them here.

Senator CURTIS. Your assistant comes in here and takes the fifth amendment and you say that you don't know anything about it. Now, even if you knew nothing about it until it was disclosed, in your position you owe it to your workers to find out about it, and I think that you ought to tell this committee what you know about it.

Mr. GOSSEY. I have told you everything I know about it. What do you want me to do; do you want me to go and raise the rates higher?

Senator CURTIS. Who got the money?

Mr. GOSSEY. Do you want me to put the Doehler Jarvis Co. out of business and is that what you want me to do?

Senator CURTIS. I want to know who got the money.

Mr. GOSSEY. Why don't you ask Zvara, or ask the Elliott Co., or ask the company. I never got it, and I never saw it, and I never knew of it, and so how could I tell you that?

Senator CURTIS. All right; did you find out afterwards who got it?

Mr. GOSSEY. I have never found out anything about it. I told you I went to the company and they claimed no knowledge of it.

Senator CURTIS. Who was Zvara referring to when he said that he would have to give this information to the boys?

Mr. GOSSEr. Well, why don't you ask that of Zvara?

Senator CURTIS. I did, and I asked your assistant and he takes the fifth amendment.

The CHAIRMAN. He said he knows nothing and whether he is telling the truth or not is a matter of mine or anyone to make up their own mind, but this man is swearing that he did not know and he does not know, and I have asked him over and over again and again and I will ask you. Did you get any of this money?

Mr. GOSSEr. Positively no.

Senator CURTIS. Did you know the money was being paid?

Mr. GOSSEr. I positively never knew of it.

Senator CURTIS. Did you ask or had you heard of it, after you found out, did you go to the company and try to get information?

Mr. GOSSEr. I was real mad, and I went to the company, and I am sure if you bring the president of the company in here he will attest to it.

Senator CURTIS. Did you take it up with Zvara, and ask him whether he got the money and what he did?

Mr. GOSSEr. I have talked to Zvara several times, and Zvara told me that he took the money himself, and as I stated before the committee, Zvara told me that he didn't think he was doing anything wrong. He put it all in the bank and he said his bank account could show it, and he paid his income tax on it, and everything else, and to him it was a finder's fee. Zvara is a funny sort of a guy, and maybe I believed this, and I am not going to challenge him. There is another person someday who will.

Senator CURTIS. As far as you know, this man got the money, Zvara, and kept the money, and he says now that he kept it all?

Mr. GOSSEr. I could say one thing, if the fellow could say something in a sporting sort of way, I have known Zvara for quite a few years, and if you can get a nickel off of Zvara, you are doing good.

The CHAIRMAN. I am willing to go on with this, but if you know anything in the world, you have not told us, tell it.

Mr. GOSSEr. I don't know a thing about it. The Senator raised one question, if I might, Mr. Chairman, and you raised a question that they had to pay this. Right here it is a corporation, which is another big parts plant, and they had at different times time study people in there, and why didn't they have to get somebody to OK it, and the Toledo scale from time to time has had somebody in there, and why didn't they have to get somebody's OK. I could set here and name plant after plant, under my jurisdiction.

The CHAIRMAN. In other words, they did not have to get the OK from the union, is that what you are saying?

Mr. GOSSEr. If they actually don't want to talk to the union, they don't have to, because our contract says that the company will have the right to manage and conduct its own business, and certainly at that point, it means that the management has the right to use a consultant concern if it wants to, and if the management is so weak they can't say to the union, be quiet, then I feel quite sorry for the management.

Senator CHURCH. Will you yield for a question?

Senator CURTIS. I am, but I want to finish this up.

Senator CHURCH. I have been here for 3 days now listening to this hearing, and so far the only thing that has been revealed in this hear-

ing is that a man by the name of Zvara got some commissions, for presumably getting some business for a New York company.

Zvara was dismissed and discharged from his position and later resigned from the union after formal charges were brought against him by the union. That is all the evidence that has been presented thus far.

Is there any positive evidence that you have that you are going to present, that will tend to link Zvara's conduct with Mr. Gosser or with the other members of the UAW, international union?

Senator CURTIS. That depends upon what the witness answers.

Senator CHURCH. Well, do you have assembled and intend to bring forward witnesses who in your opinion will so testify, or do you have documents which will tend to link Zvara's conduct with the UAW, or with Mr. Gosser?

Senator CURTIS. I told you, it will depend upon what the witness' answers are.

The CHAIRMAN. The Chair would like to get through, and I have an appointment at 1 o'clock.

Senator CURTIS. Has Mr. Zvara received any pay, directly or indirectly from any union source since he was discharged?

Mr. GOSSEr. So far as I know, and I am speaking of the UAW now, none.

Senator CURTIS. None from any part of the UAW?

Mr. GOSSEr. That is correct.

Senator CURTIS. None from any flower fund?

Mr. GOSSEr. No.

Senator CURTIS. Has his wife been paid anything?

Mr. GOSSEr. No. I don't think that we should take Zvara's wife into this, and I don't think she has been paid anything at any time. She is a very fine woman.

Senator CURTIS. I am talking about something in lieu of wages.

Mr. GOSSEr. Not by the UAW.

Senator CURTIS. Then, Mr. Zvara, have you——

Mr. GOSSEr. Now wait a minute. I am Mr. Gosser. Let us not make me the other guy at this point in life.

Senator CURTIS. Mr. Gosser, this does not relate to Mr. Zvara, but it relates to your conduct of union affairs in the Toledo area, and did you ever by implication or any words, threaten that if people did not follow a certain course of conduct that they might receive physical injury?

Mr. GOSSEr. Senator, I am going to answer that in this way: You have about seven or eight witnesses out there, that are afraid of daylight, not alone dark, and they are always saying that. I can say with no reservations that if you can in any way prove any evidence that I have at any time created any physical harm to any person who did not follow and believe in the things that I believe in, you certainly have the right to pursue the necessities you have to, because I want to say one thing to you, Senator, that there are a lot of things, and I want to make this point clear, because I have never really voted a straight ticket, and I want to also make that clear—I might disagree very strongly with you this morning but at my age I am a funny sort of a guy. I would give my life for your right to say what you believe in. That goes for everybody.

Senator CURTIS. What is the answer to my question?

Mr. GOSSEr. The answer is certainly no, and if I would give my life for you to say anything you wanted to, then the answer is that I wouldn't create physical harm to anybody.

Senator CURTIS. You have never used any such threats?

Mr. GOSSEr. No.

Senator CURTIS. Directly or indirectly?

Mr. GOSSEr. Directly or indirectly, no.

Senator CURTIS. That is all, Mr. Chairman.

Senator ERVIN. I had one request. I would like for somebody to take these checks and add up how many went to the Hardy Co., and I would like to know how many went to the Hardy Co., and how many checks were made to Zvara, just for the record.

The CHAIRMAN. Are there any other questions?

Mr. RAUH. Mr. Manuel has a couple of questions.

The CHAIRMAN. I would like to get through with this witness and make some progress. I will come back at 2:30, but I have an appointment at 1 o'clock. So if we can hurry I would appreciate getting through with this witness and coming back at 2:30. We are not going to be able to get through with this this week as I had hoped to, apparently.

Mr. MANUEL. Mr. Gosser, did you have Dorsey Carr on your staff as an international representative when you were regional director?

Mr. GOSSEr. Yes; I believe I did.

Mr. MANUEL. Did you know whether or not he had to pay any kick-backs to your flower fund?

Mr. GOSSEr. Well, the way you put it, now, Mr. Carr—

Mr. MANUEL. Yes or no.

Mr. GOSSEr. I ain't going to answer "Yes" or "No." Mr. Carr might have contributed to the flower fund and the record would have to show that.

Mr. MANUEL. Would it be a voluntary contribution?

Mr. GOSSEr. So far as I am concerned, I have yet in my life to have the first guy come to me and tell me that he didn't want to contribute to the flower fund, until he was discharged. Mr. Carr was discharged.

Mr. MANUEL. Well, if Mr. Carr made contributions, you say they were voluntary contributions.

Mr. GOSSEr. You would have to ask him that.

Mr. MANUEL. I am asking you.

Mr. GOSSEr. I can answer, as far as his indications to me are concerned, they were certainly voluntary, and he never indicated or he never came to my office and said "I did not want to pay to your flower fund, because I am sure that there were several fellows who didn't give."

Mr. MANUEL. Did you ever give him receipts for those payments?

Mr. GOSSEr. Did he give me?

Mr. MANUEL. Did you ever give him receipts for those payments?

Mr. GOSSEr. I never in my life so far as I know ever took a penny of the flower fund, and I think in my regime it was given to an office girl.

Mr. MANUEL. Did you ever send Charles Ballard and another man named Walter Madrzykowski to Mr. Carr's house after he left your

employment, and ask him for his receipts of payments to the flower fund?

Mr. GOSSEr. I would say "No" to that.

Mr. MANUEL. Would you say "No" is the answer?

Mr. GOSSEr. I can't ever remember sending anyone to Dorsey's house after he quit and again I want to say, he was discharged for not performing his operations.

Mr. MANUEL. Do you say the answer to that is "No"?

Mr. GOSSEr. To the best of my knowledge, yes.

Mr. MANUEL. You don't know whether Mr. Ballard threatened to kick his brains out if he ever mentioned taking up those receipts?

Mr. GOSSEr. Having not lived Mr. Ballard's life, I don't know what Mr. Ballard might have done, but I want to say this much about Mr. Ballard: Mr. Ballard is a very reserved person, and I would think that he would be a million miles away from ever making such a statement as that.

The CHAIRMAN. Do you know of him making such a statement?

Mr. GOSSEr. No.

The CHAIRMAN. If he did such a thing, you do not know anything about it?

Mr. GOSSEr. No, sir.

The CHAIRMAN. You never heard about it?

Mr. GOSSEr. No.

Senator KENNEDY. What year was this?

Mr. MANUEL. In 1944, Senator.

When your hardware store sold merchandise to the union, would you explain the terms on which you sold, and was it retail, below retail, or above retail?

Mr. GOSSEr. As far as I know, and I am pretty sure this is quite accurate, every quarter or so, we figured up what our overhead was, and we sold to the union what our wholesale price was, plus our overhead.

Mr. MANUEL. Just at cost?

Mr. GOSSEr. Just about service, yes.

Mr. MANUEL. Never over?

Mr. GOSSEr. As far as I know, no. Not being in there, and not writing every check on that, I don't want to be pointed down on that.

Mr. MANUEL. But your policy was to sell at cost?

Mr. GOSSEr. Our policy was for them to sell for exactly what we paid, plus what the accountant figured our overhead was.

The CHAIRMAN. As I understand, you were not trying to make any profit out of the union when you sold to the union out of your store?

Mr. GOSSEr. I have explained that the union—you are right.

The CHAIRMAN. When you owned it, before the union bought the store, as you sold to them, what you are testifying to here is that all you tried to do was to get the cost of your goods back, plus enough profit to cover overhead.

Mr. GOSSEr. That is right.

The CHAIRMAN. Is that what you are saying?

Mr. GOSSEr. That is right.

The CHAIRMAN. Proceed.

Mr. MANUEL. I think you admitted that perhaps some small amount of the proceeds from the slot machines went into your flower fund, I believe you said 1 percent.

Mr. GOSSEr. I said rather than to get into an argument, I would concede that it was possible.

Mr. MANUEL. One percent?

Mr. GOSSEr. I think that I said that, yes.

Mr. MANUEL. Would you know what that 1 percent would amount to? Approximately, within hundreds of dollars.

Mr. GOSSEr. No, but I would say that my best way to analyze it would be to say if you ever went to a good drinking bout, the Auto Workers when they are having a conference, I would say that 1 percent would be lucky if it would pay for it.

Mr. MANUEL. When you and Mr. Schultz were partners in the Colonial Hardware Store, I believe you said you were equal partners.

Mr. GOSSEr. When Mr. Schultz and I were in the hardware store, yes, we were equal partners. I think Rath was the accountant. It was not at the time of the partnership.

Mr. MANUEL. You each put up \$4,000, did you not?

Mr. GOSSEr. Well, he had written some figure, and I thought that he read \$4,500.

Mr. MANUEL. You each put up \$5,000?

Mr. GOSSEr. That is what your record says.

Mr. MANUEL. And you were equal partners?

Mr. GOSSEr. Yes, sir.

Mr. MANUEL. Sharing profits equally?

Mr. GOSSEr. Sharing everything equally.

Mr. MANUEL. And losses equally?

Mr. GOSSEr. Sharing everything equally as far as the business.

Mr. MANUEL. And shared the profits equally from the business?

Mr. GOSSEr. Yes, sir.

Mr. MANUEL. And now Mr. Schultz got his—

Mr. GOSSEr. I don't know, I don't want to speak for Mr. Schultz.

Mr. MANUEL. He should have gotten half.

Mr. GOSSEr. You have Mr. Schultz outside, and why don't you bring in Mr. Schultz and let him speak for himself?

Mr. MANUEL. We are, and I just want—

Mr. GOSSEr. I am not Mr. Schultz' keeper, and nobody else. Bring Mr. Shultz in here, and you have him outside. What did you bring him down here if you are not going to ask him?

Mr. MANUEL. We will.

Senator KENNEDY. I have one question.

Mr. Gosser, in the slot machine money, what was the use of the flower fund at that time? Was it for contributions for maintaining political action within the union, or did you say yesterday it also included some contributions to the farms.

Mr. GOSSEr. On three things.

Before you came in, Senator, I was talking to Senator Curtis and I was explaining to him the reason for the farms.

Senator KENNEDY. What I am asking you is whether the flower fund, the only use—

Mr. GOSSEr. The flower fund not only contributes to the summer camp, and they send kids to the summer camp, but buys presents for the kids and all of the orphanages, because now we don't have as much political fight as we used to have in our union, and therefore we have an excessive amount of money, and we even now take them from all

over, and we take all of the Lutheran kids from Marion, Ohio, and bring them down to our camp.

The CHAIRMAN. Is there anything further?

Senator MUNDT. I have one question.

Mr. Manuel asked you a question about you and Mr. Schultz. Is that the name?

Mr. GOSSEr. Yes, sir.

Senator MUNDT. And he asked you whether or not you shared equally in the profits.

Mr. GOSSEr. And I said you have to ask Mr. Schultz.

Senator MUNDT. You can answer this from the standpoint of your knowledge, as one of the partners, that to the best of your information, did you and Mr. Schultz share the profits equally.

Mr. GOSSEr. All I want to say is that I think Mr. Schultz is a pretty honorable man.

Senator MUNDT. I do not even know him and I am trying to find out.

Mr. GOSSEr. You are going to talk to him, he is outside.

Senator MUNDT. You are half of the partnership. Why should you duck the question?

Mr. GOSSEr. Mr. Schultz did the bookkeeping, and as far as I am concerned I am going to let Mr. Schultz speak for himself. I would say this, in a friendly sort of way, if I was keeping the books of a partnership it would seem to me that I wouldn't give the other guy more than I gave myself.

The CHAIRMAN. That is quibbling. As far as you know, did he get his half of the profits?

Mr. GOSSEr. Yes, sir.

The CHAIRMAN. Do you know any reason why he did not get his half?

Mr. GOSSEr. I wouldn't know of any at all.

The CHAIRMAN. And he had charge of the books and the cash and the operation of the business.

Mr. GOSSEr. He was the one that handled the books and we hired people to operate the business.

The CHAIRMAN. When you would get your dividends or your share of the profits, did you understand that he was getting his equal share?

Mr. GOSSEr. We were not working and we kept putting our money back into the business, Senator, except we paid our income tax.

The CHAIRMAN. When you sold it, did he get half the sales price?

Mr. GOSSEr. No, I bought him out before that.

The CHAIRMAN. You bought him out?

Mr. GOSSEr. Yes, sir.

The CHAIRMAN. All right.

Senator CURTIS. Will Mr. Ballard be here this afternoon?

Mr. GOSSEr. I thought we had arrived after I answer all of the answers on the flower fund—that you didn't want Mr. Ballard.

Senator CURTIS. There is no such thing.

Mr. RAUH. Mr. Ballard has never been requested.

The CHAIRMAN. I will get a subpoena for him if you want to hear him. We never settled it yesterday.

Mr. GOSSEr. He asked me the questions about where was the 1957 books and I said there wasn't any; and where was the 1956 books.

The CHAIRMAN. This witness testified there are no records.

Mr. GOSSE. If you got Mr. Ballard here, you would get the same answer.

The CHAIRMAN. Do you want Ballard?

Senator CURTIS. Yes. I thought that was arranged yesterday.

Senator CHURCH. There was some confusion yesterday.

The CHAIRMAN. Do you want Mr. Gosser any more?

Mr. Gosser, you are excused and the committee will reconvene at 2:30.

Mr. Gosser, you are not under subpoena now, are you?

Mr. RAUH. Yes, he is.

The CHAIRMAN. Yes, he is under subpoena. You will remain under the same subpoena, subject to being recalled at such time as the committee may desire to hear further testimony from you and you accept such recognizance.

Mr. GOSSE. Will you do me a favor?

The CHAIRMAN. I might.

Mr. GOSSE. Have them change my name so I don't get any more aliases; have them correct my name.

The CHAIRMAN. I get mine misspelled sometimes, too.

We will reconvene at 2:30.

(Whereupon, at 1 p. m. the committee was recessed, to reconvene at 2:30 p.m. the same day.)

AFTERNOON SESSION

(The select committee reconvened in executive session at 2:30 p.m., Senator John L. McClellan, chairman of the select committee, presiding.)

The CHAIRMAN. The committee will come to order.

(Members of the select committee present at the convening of the afternoon session were Senators McClellan and Curtis.)

The CHAIRMAN. The witness will be sworn.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SCHULTZ. I do.

TESTIMONY OF MELVIN SCHULTZ, ACCCOMPANIED BY COUNSEL, LOWELL GOERLICH AND FRANCIS RENO

The CHAIRMAN. All right, Senator Curtis.

Senator CURTIS. Mr. Schultz, what is your full name?

Mr. GOERLICH. May we enter our appearance?

Senator CURTIS. First I want his name.

Mr. SCHULTZ. Melvin Schultz.

Senator CURTIS. Where do you reside?

Mr. SCHULTZ. Toledo, Ohio.

Senator CURTIS. What is your business or occupation?

Mr. SCHULTZ. I am an employee for the Northwest Ohio Area Industries.

Senator CURTIS. Would you identify yourselves for the record?

Mr. GOERLICH. I am Lowell Goerlich, and the other counsel is Francis Reno.

Senator CURTIS. Mr. Schultz, what work were you engaged in in 1945, in October?

Mr. SCHULTZ. I was president of local union No. 12.

Senator CURTIS. When did you become president of local union No. 12, as best you can remember?

Mr. SCHULTZ. I think it was approximately 1942, January or February.

Senator CURTIS. How long did you continue as president?

Mr. SCHULTZ. Until 1949; the first week in March, I believe.

Senator CURTIS. Do you know Mr. Richard Gosser?

Mr. SCHULTZ. Yes; I do.

Senator CURTIS. Did you go into business with him in the fall of 1945?

Mr. SCHULTZ. Yes; I did.

Senator CURTIS. And what position in the union did he hold at that time? That would be in 1945.

Mr. SCHULTZ. I believe he was the regional director at that time.

Senator CURTIS. Later on, during the course of your business association, he became a vice president of the international; did he not?

Mr. SCHULTZ. Yes; he did.

Mr. GOERLICH. I don't think he answered that question right. You said "during the course of his business association."

Senator CURTIS. He testified that he was in business until 1949. Did you?

Mr. SCHULTZ. I was president of the local until 1949.

Senator CURTIS. Excuse me. You are right.

When did you cease your association with Mr. Gosser in business?

Mr. SCHULTZ. That was in January of 1949.

Senator CURTIS. January of 1949? This was the hardware business?

Mr. SCHULTZ. Yes.

Senator CURTIS. And the first name given to the business was the G. & S. Hardware; is that correct?

Mr. SCHULTZ. It seems to me that was a suggestion, but I don't think it ever opened as G. & S. It might have.

Senator CURTIS. What name did you later apply to the hardware business?

Mr. SCHULTZ. It was called the Colonial Hardware.

Senator CURTIS. Were you and Mr. Gosser equal partners?

Mr. SCHULTZ. We invested the same amount.

Senator CURTIS. Was there anyone else who was a partner or owner during the time the two of you were in there?

Mr. SCHULTZ. Not while I was in it.

Senator CURTIS. How much money did you invest in the hardware store?

Mr. SCHULTZ. I believe that was \$4,000 that was invested.

Senator CURTIS. Did Mr. Gosser put in a like amount?

Mr. SCHULTZ. Yes; he put in the same.

Senator CURTIS. Was it your understanding that you were to be equal partners?

Mr. SCHULTZ. Well, we were equal partners on the amount of investment and everything; yes.

Senator CURTIS. Equal partners if you had a loss or if you had a gain; was that your understanding when you went in?

Mr. SCHULTZ. I understood that I would have to take half of the loss, if there was a loss.

Senator CURTIS. And also of the gain or profit?

Mr. SCHULTZ. That would have been mine; yes.

Senator CURTIS. You left the business in January of 1949. What was your reason for leaving?

Mr. SCHULTZ. My reason for leaving was simply that my health broke down, and I just gave up my activities in order to try to regain my health.

Senator CURTIS. Did you sell your interest in the hardware store?

Mr. SCHULTZ. I sold it or withdrew it, however you want it.

Senator CURTIS. To whom did you sell it, or turn it over to?

Mr. SCHULTZ. To Mr. Gosser.

Senator CURTIS. Did you receive anything for that?

Mr. SCHULTZ. The money that I had put into it is all that I asked for, and I received it.

Senator CURTIS. You received your \$4,000 back?

Mr. SCHULTZ. That is right.

Senator CURTIS. During this time, did you draw any salary from the hardware store?

Mr. SCHULTZ. No.

Senator CURTIS. Did you share in any of the profits?

Mr. SCHULTZ. No; I didn't.

Senator CURTIS. There were profits; were there not?

Mr. SCHULTZ. Well, everything that had been taken in had been put back into inventory, outside of money that was used to pay taxes.

Senator CURTIS. Is it true that there was a profit in 1947 of \$16,000?

Mr. SCHULTZ. Well, I couldn't say to the figure. I don't recall the figures to that extent.

Senator CURTIS. Do you recall whether or not the profit in 1948 was \$18,000?

Mr. SCHULTZ. I don't think so, because when I left there was no such figures there.

Senator CURTIS. Mr. Schultz, I am drawing these figures from a deposition you took back at the time. We will give you the benefit of the inquiries and your answers.

Mr. GOERLICH. You are referring to his deposition?

Senator CURTIS. Yes.

Mr. Schultz, do you recall having had your deposition taken?

Mr. SCHULTZ. Yes.

Senator CURTIS. In a case started by John A. Bolman against yourself and other people connected with the union?

Mr. SCHULTZ. Yes.

Senator CURTIS. I will read from that deposition, which this copy purports—

Mr. SCHULTZ. Senator, I would be willing to say that that was my statement, and I accept it. It is a long time for me to remember now, for me to quote figures.

Senator CURTIS. I understand that. I do not wish to attempt to impeach you, but I want to get these figures into the record. That is the reason I am telling you exactly where I am getting them from. This was taken Friday, January 19, 1951:

Question. Can you recall the net profit for the year 1947?

Answer. Net Profit?

Question. Yes; or I will state the question clearer. How much profit did Colonial Hardware & Sporting Goods Co. make in 1947 on the \$100,000 of sales within your recollection?

Answer. Well, I am not sure of those figures now, but I think that it must have been around \$16,000 or \$18,000, something around that figure.

Question. Can you recall the approximate sales volume for the year 1948?

Answer. I think it was about the same as 1947.

Question. Can you recall the profits for the year 1948?

Answer. They were about the same.

Question. And you personally received no profit from the business?

Answer. No.

If I have read this correctly, is it your statement now that what you said then was the truth?

Mr. SCHULTZ. Yes; I accept it.

(At this point Senator Kennedy entered the hearing room.)

Senator CURTIS. Did you receive any salary?

Mr. SCHULTZ. No, sir.

Senator CURTIS. Now, Mr. Schultz, did you spend time at the hardware store?

Mr. SCHULTZ. I spent some time there; yes.

Senator CURTIS. About how much time would you spend?

Mr. SCHULTZ. I never kept track of it.

Senator CURTIS. I realize that, it is a long time ago, but would you be spending some time in the store every week?

Mr. SCHULTZ. Practically every week, I would say, unless I had been out of town. There might have been some weeks that I was.

Senator CURTIS. If you were in town, your best recollection is that you would be spending some time in there probably every week?

Mr. SCHULTZ. Probably every week.

Senator CURTIS. In addition to being a partner, you were the manager of the store; is that correct?

Mr. SCHULTZ. Well, I didn't manage it as you would say alone. We had help and I left it up to the help there, to a large extent, because I couldn't be there all the time.

In fact, not so very much of the time.

Senator CURTIS. Did you ever ask for your share of the profits?

Mr. SCHULTZ. When I left, I simply asked that I be returned the investment which I had made, that I had decided my health needed to be recovered. I was afraid for my own health. So that is all I asked for. I did not ask for anything else.

Senator CURTIS. You did not ask for anything else.

Were you aware that Mr. Gosser was receiving profits from the store?

Mr. SCHULTZ. I don't understand your question.

Senator CURTIS. Did you know that Mr. Gosser was receiving profits from the store?

Mr. SCHULTZ. Do you mean during this period of operation?

Senator CURTIS. Yes. During, we will say, 1947 and 1948.

(The witness conferred with his counsel.)

Mr. GOERLICH. He doesn't quite understand your question, Senator.

Mr. SCHULTZ. There were no checks written—I mean, if you mean it was disbursed, to my knowledge or my recollection there was no money disbursed to him either, not to me or to him.

Senator CURTIS. It was a partnership, was it?

Mr. SCHULTZ. The profits that were accumulating were being put back into stock, into merchandise.

Senator CURTIS. Mr. Gosser's income tax returns show that he received profit in 1946 of \$5,511; 1947, \$18,648.65; and 1948, \$12,253.49.

Mr. SCHULTZ. That was an increase in inventory.

Senator CURTIS. While you were a partnership, you filed an informational return; is that correct?

(The witness conferred with his counsel.)

Senator CURTIS. Or a partnership tax return.

(The witness conferred with his counsel.)

Mr. SCHULTZ. I believe it was a partnership form, and each one filed a copy. I mean, it was our own returns.

Senator CURTIS. The only thing you got out of it was your \$4,000 back?

Mr. SCHULTZ. That is right.

Senator CURTIS. And if Mr. Gosser would make the contention that you did get profits out of it, you would say that you did not?

(The witness conferred with his counsel.)

The CHAIRMAN. What is the question?

Mr. SCHULTZ. The question of getting profits. I never got any cash profits.

Senator CURTIS. Did you get any other kind of profits?

Mr. SCHULTZ. While the merchandise was purchased, it showed on my return as a profit, sure. But I never got a cash profit out of it. It was merely an increase in inventory.

The CHAIRMAN. Did you show it on your income return as receiving so much profit?

Mr. SCHULTZ. There was a partnership form which was made up, and that showed the increase in inventory as a profit on that partnership, and taxes were paid on it. But it was not a cash—I did not take cash out of the business. That remained as inventory right in the store.

Senator CURTIS. I think, Mr. Chairman, we have this situation: They were operating as a partnership.

The CHAIRMAN. I believe I understand.

Senator CURTIS. And a partner would be liable for taxes whether he withdrew from the business or not. I don't know if Mr. Schultz is familiar with that, but I think we can recognize that that is the case.

But at any rate, you put in \$4,000 and about 3 years later you got \$4,000 out, and that is all the money you put in and that is all the money you got out?

(The witness conferred with his counsel.)

(At this point Senator Mundt entered the hearing room.)

Mr. SCHULTZ. I put \$4,000 into the place when we started, and when I withdrew in 1949 I got \$4,000 back. That is all I got.

Senator CURTIS. And no salary in between?

Mr. SCHULTZ. No salary.

Senator CURTIS. One more question: Do you know where the books and records of the Colonial Hardware Store are now?

Mr. SCHULTZ. No, I do not.

Senator CURTIS. It was still a going concern when you got out?

Mr. SCHULTZ. Yes.

Senator CURTIS. Who ordered the supplies, ordered or okeyed the purchases from Colonial Hardware Store that were made for the summer camp, the retirement farms, local 12, or to the building corporation?

Mr. SCHULTZ. Well, there were various people in those various categories, and as they needed stock, supplies, they would order.

Senator CURTIS. Did Mr. Gosser order or okey orders?

Mr. SCHULTZ. I don't recall. Do you mean did he sign orders or something of that sort? I don't recall if he signed any orders or anything. But to say that he okeyed orders—

Senator CURTIS. I mean verbally or otherwise.

Mr. SCHULTZ. He may have okeyed some verbally, and he may have even written some. I don't recall them right at the moment.

Senator CURTIS. That is all, Mr. Chairman.

Senator KENNEDY. Can I ask what is the thrust of these questions? I came in late. What are we demonstrating? Or attempting to demonstrate?

Senator CURTIS. It relates to Mr. Gosser's business transactions. Mr. Schultz was president of the local. Mr. Gosser at the time he started into the business was regional director, later on becoming vice president of the international. They were equal partners.

Mr. Schultz was in the business for a little over 3 years. He received no salary; he put in \$4,000 when the business was started and when he left he got his \$4,000 back, and that is all.

Gosser—I don't want to be unfair, but I think that an examination of the record of Mr. Gosser's testimony is that he got half of the profits.

Senator KENNEDY. Did you complain about the amount of money that you received when you got out of the business?

Mr. SCHULTZ. No. I asked that I get my \$4,000 back, and I did. I left the business because my health had gotten me down.

Senator KENNEDY. Were you getting a salary during this period?

Mr. SCHULTZ. No, sir; I was not. You mean from the hardware?

Senator KENNEDY. For the work that you might have done in connection with it.

Mr. SCHULTZ. No.

Senator KENNEDY. Who did the work in the store?

Mr. SCHULTZ. Well, there were several clerks that did the work there.

Senator KENNEDY. I gather the implication that is behind this is that you both invested the same amount of money in a store, and that Mr. Gosser got the profits and that you got nothing but your capital back. Is that what happened?

Mr. SCHULTZ. That is all I asked for; that is right.

Senator KENNEDY. Do you have any explanation of why you didn't get part of the money?

Mr. SCHULTZ. I already answered; because of my health. I asked for my money back, and that I was going to try to regain my health, and I just left.

Senator KENNEDY. Do you feel in any way that Mr. Gosser took more than he was entitled to?

Mr. SCHULTZ. He didn't take it, sir. I only asked for my money back. I only asked for that.

Senator KENNEDY. These are events that happened in 1947, 1948, and 1949?

Senator CURTIS. Yes.

Senator KENNEDY. Do you claim that there was illegality here or impropriety?

Senator CURTIS. Impropriety, and I think it impeaches Mr. Gosser's testimony.

Mr. GOERLICH. That is not the way I heard it.

Senator CURTIS. And on that I will not make a statement. I will just rely upon the record as to what it shows what Mr. Gosser said about the division of profits.

Senator KENNEDY. In other words, what you are talking about is something that happened in 1947, 1948, and 1949?

Senator CURTIS. It is based upon Mr. Schultz' sworn deposition taken in 1949.

Senator KENNEDY. Have you any new evidence about this?

Senator CURTIS. There isn't any new evidence. It is just a matter of arithmetic.

Senator KENNEDY. I am interested in why this committee is spending its time on a matter that happened in 1949. I think that would be interesting. What are we doing back in 1949?

Senator CURTIS. I think we are showing a continuous chain of events of Mr. Gosser's business operations with union members, with the local, with the building corporation, with their other profits; a partner that is taken in who doesn't get any salary or any profits.

It is valid today because we will show here before this is over that it was investigated—I don't want to use the term whitewashed—but it was decided in favor of Mr. Gosser, and these things have gone on and have been condoned.

I think the people who have objected to it have been punished.

Senator KENNEDY. Maybe you are going to show it. I have not seen it yet. I think we ought to get an explanation, if Mr. Gosser has not left town, on your suggestion that he committed perjury with regards to the profits. I think we ought to clear that up.

Do you want to call him back?

Senator CURTIS. I will not state what my memory is, but I will rely on the transcript of the record.

The CHAIRMAN. He has been excused.

Senator KENNEDY. Is he going to be called back?

Senator CURTIS. He was excused, but there was an understanding that he would remain under subpoena.

The CHAIRMAN. But I did not anticipate that he would be called back at this session.

Senator CURTIS. No, that is correct.

The CHAIRMAN. The chairman would make one observation.

Senator Mundt, if you want to ask anything, go ahead. I wanted to ask the witness one or two questions that I think would be pertinent to any answer he might give. But go ahead, Senator Mundt.

Senator MUNDT. I don't care to interrupt, if you want to ask first. I was going to comment on what Senator Kennedy said.

The CHAIRMAN. I don't know anything about your business transactions with him, but this is the crux of the thing from my viewpoint at the moment: During the course of operating that business, you were a union official, were you not?

Mr. SCHULTZ. That is correct.

The CHAIRMAN. And so was your partner?

Mr. SCHULTZ. That is correct.

The CHAIRMAN. During that time, you sold from the hardware store merchandise to the union and to the union entities, such as the summer camp and so forth. You sold some hardware to the union and those enterprises of the union, of which you were president; is that correct?

Mr. SCHULTZ. Some things; yes.

The CHAIRMAN. In the making of those sales, did you sell at the normal price that you sold to others, or did you increase the price?

Mr. SCHULTZ. No, sir; it was sold at the normal prices, and in instances where sometimes there were quantities, there were discounts.

The CHAIRMAN. And sometimes there were discounts where there were quantities?

Mr. SCHULTZ. Yes.

The CHAIRMAN. In other words, what I want to find out, and this would be of interest if true, would be very improper if true, whether in the course of this business you simply imposed upon the union by reason of your official authority in order to gain and profit by the business individually, you and your partner in the business.

Mr. SCHULTZ. No, sir.

The CHAIRMAN. You are sure of that?

Mr. SCHULTZ. I am sure that I know of no such instance. I do know that possibly members would come to us, because they knew us, instead of going somewhere else.

The CHAIRMAN. In other words——

Mr. SCHULTZ. That is normal.

The CHAIRMAN. In other words, since you had a business, and you belonged to the union, and you were officers of the union, and because of members knowing you, they would come and trade with you; is that right?

Mr. SCHULTZ. I think that was true to an extent.

The CHAIRMAN. What I want to know is: Did you exploit the union by reason of selling to it? You would be representing the union and also representing your business. As president of the union, you would owe the highest obligation to your union, to protect it.

In dealing with yourself as a businessman, as the head of a union you have to be very careful.

The question is: Did you use your position in the union from which to make your business profitable?

Mr. SCHULTZ. No, sir, I did not; not to the extent that you explained.

The CHAIRMAN. In other words, if your union did trade some with you, but it cost the union no more to buy the goods from you than it would have cost them to have gone and gotten them from your competitors?

Mr. SCHULTZ. That is right.

The CHAIRMAN. Is that what you are saying?

Mr. SCHULTZ. That is what I am saying.

The CHAIRMAN. Senator Mundt.

Senator MUNDT. First I want to say for the record that I am a little surprised at my distinguished friend, Senator Kennedy, questioning

the validity of this investigation on the basis that it goes back 10 years, because I think in every single union investigation we have had so far we have gone back far beyond 10 years. I don't see that the calendar date is important. I don't know whether anything wrong occurred or whether it didn't occur. But certainly the fact that the date of the situation being described goes back to 1949 makes it pretty current compared to a lot of dates we have been discussing throughout the investigation.

I do want the record to show that I, at least, am surprised that now we raise a dateline in connection with this inquiry, which has never been raised before.

Senator KENNEDY. Can I respond?

The reason I said that was because I understood this matter had been subject to some investigation and discussion previous to this. It is my understanding that that store has been disposed of. Is that correct?

Mr. SCHULTZ. I left it in January of 1949.

Senator KENNEDY. Did Mr. Gosser—I will ask the attorney. Does Mr. Gosser own the store still?

Mr. GOERLICH. No; he sold it.

Senator KENNEDY. In what year?

Mr. GOERLICH. Either 1951 or 1952.

Senator KENNEDY. Let me say to Senator Mundt that if something can be shown that is new, that is not covered by previous investigations, then I think it would be of interest.

What I find to be of some interest is that we have spent 2 or 3 days going into matters which are subject to a good deal of publicity, and so far nothing new has been demonstrated that was not known, certainly by me and certainly by Mr. Tierney and Mr. Kamerick.

That is my point, Senator.

Senator MUNDT. You are entitled to make your point, but it certainly indicates to me that the dateline is completely unimportant. As far as I know, this committee has not made anything remotely resembling a complete investigation. Whether or not you are referring to a grand-jury proceedings or something, I don't know.

Senator KENNEDY. Mr. Tierney, may I ask you if anything has come out yet in this matter that you did not know?

Mr. TIERNEY. No, sir.

Senator MUNDT. Did you have all the records that they now have in these documents and suitcases?

Mr. TIERNEY. We did not have those records.

Senator KENNEDY. I asked about what had come out so far.

Mr. TIERNEY. That is correct.

Senator MUNDT. You didn't have all of those?

Mr. TIERNEY. That is correct.

Senator CURTIS. Since Mr. Tierney has become a witness——

The CHAIRMAN. He is not a witness.

Senator CURTIS. Senator Kennedy just asked a question.

The CHAIRMAN. Certainly. I want you to ask anything you wish. But if you want him as a witness, we will swear him.

Senator CURTIS. Did you know that Mr. Schultz received nothing from this hardware venture except his \$4,000?

Mr. TIERNEY. Yes, sir, Senator, we did. It is a subject of a memorandum in the file.

Senator CURTIS. That is all.

Senator MUNDT. Mr. Schultz, I believe that a previous witness said that you were the bookkeeper of this hardware store, that you kept the books or they were kept under your custody. Am I right about that, or wrong?

Mr. SCHULTZ. During the time that I was there; yes.

Senator MUNDT. For about 4 years, that would be?

Mr. SCHULTZ. About 3 years.

Senator MUNDT. What disposition did you make of the books at the time you sold out? I think you sold out to Mr. Gosser, if I remember right.

Mr. SCHULTZ. I left them on the premises, and Mr. Gosser took charge of them.

Senator MUNDT. You turned the books over to Mr. Gosser?

Mr. SCHULTZ. I didn't hand them to him personally, but they were there.

Senator MUNDT. You didn't take them with you. They became a part of the property of the new owner?

Mr. SCHULTZ. I did not take them with me; that is correct.

Senator MUNDT. I understand now that your testimony is that you received no salary whatsoever?

Mr. SCHULTZ. No; I didn't.

Senator MUNDT. You kept the books just as a labor of love or as a service rendered by one partner to the overall setup, but you got no pay for keeping the books?

Mr. SCHULTZ. I go not pay for it, Senator.

Senator MUNDT. And you got no splitup in profits?

Mr. SCHULTZ. I only asked for my money back and that is what I got.

Senator MUNDT. I am talking about at the end of every calendar year or at the end of every fiscal year, when partners divide the melons, if they have a melon, did you ever get any melon seeds, did you ever get any profits, did you ever get any distribution of assets?

Mr. SCHULTZ. Because of what the gentleman here brought out about the tax returns, I don't knew whether your question means that I got profit because of that tax return, or whether I drew cash out of it or not. I have already explained how that occurred. We filed the tax return which showed what was taken in that year, paid our tax on it, but the money that actually was taken in was put back into inventory. I never got anything for myself.

Senator MUNDT. I didn't know you even had a tax return. But at least your testimony is that you received no profits and no salary out of the business. What you put in was \$4,000, what you took out was \$4,000, and that is the only cash that went from the business to you. Is that right?

Mr. SCHULTZ. That is right.

Senator MUNDT. Did you get any interest on your \$4,000?

Mr. SCHULTZ. No; I didn't ask for it.

Senator MUNDT. Just your \$4,000 and nothing else?

Mr. SCHULTZ. That is what I asked for.

Senator MUNDT. Then I must agree that there is some conflict in testimony between you and your partner, who said that the profits were divided evenly and equally; you didn't get profits, according to your testimony.

Mr. SCHULTZ. Each year they were divided for tax purposes, but I have already explained about that. We paid the tax on it, but then the actual money was put in the business.

Senator MUNDT. According to your testimony, your partner got all the profit. You divided for tax purposes. You did not take any money out of the business, you put it all back into the business, and then you sold the whole business for the original \$4,000. Your testimony is that if there was a profit, Mr. Gosser got it all.

Mr. SCHULTZ. When I left there, I left all of the inventory.

Senator MUNDT. You didn't walk off with half of the merchandise. You took \$4,000 and kissed the boys goodby; is that it?

Obviously, in view of that testimony, what Mr. Gosser said this morning is not accurate. He said you divided the profits. You said that the profits stayed in the business and the business went to Mr. Gosser. You got \$4,000 from the business and put \$4,000 in the business.

Is that a correct statement?

Mr. SCHULTZ. I put \$4,000 into the business and I got \$4,000 back when I left.

Mr. GOERLICH. Mr. Chairman, on that point I beg to differ with Senator Mundt.

My interpretation is a bit different than yours; but if you want to follow your interpretation, I think Mr. Gosser should be permitted to come back and say what the situation was.

I am sure he didn't mean—

The CHAIRMAN. Counsel, the Chair is indulging, but I don't believe you have a right to argue the point.

Senator MUNDT. I don't mind him putting his interpretation in. I was giving mine, and he was giving his. The record will speak for itself.

The CHAIRMAN. Well, I am just trying to keep the record straight.

I have one question. Did you and your partner, Mr. Gosser, have any falling out or disagreement, when you got out of the business, over the transaction in any way at all or over the business?

Mr. SCHULTZ. As I said, my health went bad.

The CHAIRMAN. You told me that.

Mr. SCHULTZ. I took it on myself to just withdraw from all activities. I withdrew from union activities and everything.

The CHAIRMAN. You withdrew from everything and just went to him and said, "Give me my money back. I want to withdraw."

Mr. SCHULTZ. That is what I asked for.

The CHAIRMAN. What I was trying to get at is this: There were no disagreements, no hard feelings or friction or anything?

Mr. SCHULTZ. I had no argument. He didn't argue about it. He gave me the money and that was it.

Senator MUNDT. Mr. Chairman, I would like to know, since we are talking about money now, about this point:

As the bookkeeper, about how many hours a day, a week, or month, did you devote to keeping the books of this company?

Mr. SCHULTZ. Well, again, Senator, I didn't keep track of the time.

Senator MUNDT. I don't ask for an hourly estimate, but you know whether you worked 5 minutes a day or 5 hours a day. You know something about how long it takes to keep books. I have had some experience as a bookkeeper. I have some idea how much time it takes. I want you to tell me from your best recollection.

Mr. SCHULTZ. Well, certainly it would take more than 5 minutes, but I can't estimate in hours. It has been a long time ago. I know that I worked quite hard at it, let me say that.

Senator MUNDT. Give me the best estimate of how many hours or minutes per day you say you put in on the average. I will not try to hold you to it.

(The witness conferred with his counsel.)

Senator MUNDT. Just tell us what you are telling your attorney.

Mr. SCHULTZ. I just asked him how can I try to recollect an estimate. Sometimes I could work at them in the evenings, and then there would be times that I couldn't work for quite a while, and then I would probably work on a Sunday, a Saturday.

Senator MUNDT. Do I understand that you did all of this work as overtime when you were doing a full-time job for somebody else?

Were you employed by the factory at that time on an 8-hour day?

Mr. SCHULTZ. I was employed at that time as president of the local there.

Senator MUNDT. You were working for the union?

Mr. SCHULTZ. That is right.

Senator MUNDT. How many hours a day did you put in for the union?

Mr. SCHULTZ. Well, that I couldn't say, either, because there was no time card, but I do know that my days were exceptionally long, and I believe I have always laid that to the breakdown of my health, that I worked too hard, to the point where the doctor told me that I had just overdone.

Senator MUNDT. This is only 10 years ago. I don't want you to pin yourself down to a schedule. If you were working for a union instead of for a boss, you probably were working by the month, rather than by the day, or by the week rather than by the hour.

Did you spend full time working for the union and get full-time pay and do your bookkeeping work evenings and Sundays and Saturday afternoons? Or would you work for the union part of the day and then maybe during a couple of hours during the day keep your books, and then go back to the union? What was your pattern of operation?

Mr. SCHULTZ. I worked full-time for the union. But, of course, when you work on a union job there are times when you have to work nights. There are meetings that are held possibly for a second shift or first shift, and you have night shifts. You can't say, "I have a schedule. I work from this hour to this hour." I didn't have that type of schedule.

Senator MUNDT. I am trying to find out when you did your work at the store, to keep these books.

Mr. SCHULTZ. I already explained to you. As I could catch the time I did it.

Senator MUNDT. Sometimes on Sundays?

Mr. SCHULTZ. It wasn't on a schedule. It was when I could catch the time.

Senator MUNDT. When did you catch the time? Sometimes on Sundays, sometimes during the day, sometimes during the night? Would that be a fair summary?

Mr. SCHULTZ. That would be a summary. I would say largely it was nights and Sundays, largely.

Senator MUNDT. For this you got no pay?

Mr. SCHULTZ. No, I never drew anything from the store.

Senator CURTIS. That is all.

The CHAIRMAN. Are there any further questions?

Mr. GOERLICH. Mr. Chairman, on that subject of prices, we have an affidavit here from one Charles E. Yaeger, who at the time audited the local's books and went into this question of prices. I would like to read one paragraph of his affidavit with regard to what he found.

The CHAIRMAN. You may submit the affidavit for our consideration. We will look at it.

This witness will remain under subpena, under your same subpena, subject to being recalled if and when the committee desires further testimony from you. You will be given reasonable notice of the time and place where the committee desires to hear you.

Do you accept that recognizance? In other words, we don't want to have to subpena you again.

Mr. SCHULTZ. Yes.

Senator CURTIS. May I ask one more question?

The CHAIRMAN. Yes.

What paragraph, counsel?

Mr. GOERLICH. Paragraph 5, Senator.

I believe it is at the top of the page.

The CHAIRMAN. This affidavit appears to be in due form, dated the 10th day of August. If you request it, I will let you file it as an exhibit for reference.

That will be exhibit No. 19.

(Affidavit referred to was marked "Exhibit No. 19" for reference and may be found in the files of the select committee.)

Senator CURTIS. I thought I had a question, but I do not.

The CHAIRMAN. All right. Thank you.

Mr. GOERLICH. May Mr. Schultz leave Washington and go back to Toledo?

The CHAIRMAN. That is what I was telling him, that he would be recalled if we should need him. Thank you very much.

Senator CURTIS. Mr. Speidell.

The CHAIRMAN. Be sworn, please.

You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SPEIDELL. I do.

TESTIMONY OF LLOYD SPEIDELL

Senator CURTIS. State your name to the reporter, please.

Mr. SPEIDELL. Lloyd Speidell, S-p-e-i-d-e-l-l.

Senator CURTIS. Where do you reside?

Mr. SPEIDELL. 1962 Wellesley Drive.

Senator CURTIS. In Toledo?

Mr. SPEIDELL. Toledo, Ohio.

Senator CURTIS. What is your present business or occupation?

Mr. SPEIDELL. I run a tavern.

Senator CURTIS. Mr. Speidell, you are aware that you may have an attorney present with you, are you not?

Mr. SPEIDELL. Yes, sir; I am.

Senator CURTIS. Do you waive counsel?

Mr. SPEIDELL. Yes, sir; I do.

Senator CURTIS. Mr. Speidell, do you know Richard Gosser?

Mr. SPEIDELL. Yes, sir; I do.

Senator CURTIS. Were you ever an employee of the union?

Mr. SPEIDELL. Yes, sir; I was.

Senator CURTIS. What position did you hold?

Mr. SPEIDELL. I worked for the unit of Champion Spark Plug.

Then I went down to the local and worked for them. Then I became recording secretary until the time I left, of local 12.

Senator CURTIS. Who made you recording secretary?

Mr. SPEIDELL. Well, I was elected to the position.

Senator CURTIS. Did anybody make any arrangements or have anything to do in exerting leadership to get you that?

Mr. SPEIDELL. Well, the method of voting was pretty certain that there was not much chance to it.

Senator CURTIS. Explain that a little bit.

Mr. SPEIDELL. It will take a couple of minutes.

The CHAIRMAN. Get us oriented as to dates, please. When did you become recording secretary?

Mr. SPEIDELL. 1944.

Senator CURTIS. How long did you continue as recording secretary?

Mr. SPEIDELL. Until I quit the local in 1948.

Senator CURTIS. Was that a salaried job?

Mr. SPEIDELL. Yes, sir; it was.

Senator CURTIS. And that was a full-time job?

Mr. SPEIDELL. Yes, sir.

Senator CURTIS. In regard to your election, you say you were elected, but there wasn't any chance of anybody else being elected? Explain that.

Mr. SPEIDELL. That is my opinion.

Senator CURTIS. Explain why you state that.

Mr. SPEIDELL. The way the elections were controlled, different shops in the local had checkoff systems, but there was only one shop, that was Willys-Overland, where even though your dues were taken out of your check, you had to go down to the local, a member at Willys-Overland had to go down to the local at least once every 2 months and have an attendance card punched.

There were two forms of dues receipts at the local. One was a white one, about 4 $\frac{1}{2}$ inches square which, in times of confusion regarding your union dues, was official, and no other receipt was official, when you got in a mixup on your dues. Then in addition to that there was an attendance card which had the months, the names of the months, around the card, and if you wanted to go down to the local and have that punched, you could.

In all of the shops in the local, and there had been as many as 65 at one time, those that had checkoffs, none of the members were required to go down and have this card punched except Willys-Overland. Even though they had a checkoff, they still had to go down to the local at least once every 2 months.

When the local 12 elections come up, you had to have this attendance card to vote, even though you had your white receipt. You couldn't vote on that. You had to have your attendance card. Nobody could get your attendance card for you between the first of the year and the local 12 elections, which usually occurred in April. You had to go down and get it yourself.

The people are no more interested in voting, you all know that, in a local union than they are in any other kind of an election. So they would not take the trouble to go down and get a card. There were perhaps 45,000 members in the local.

The CHAIRMAN. How many?

Mr. SPEIDELL. During this war, there were perhaps as many as 45,000.

The CHAIRMAN. 45,000?

Mr. SPEIDELL. Yes. And of all these members, the only ones who had to get attendance cards were the people at Willys-Overland. Then when election time came up, the people under Mr. Gosser's direction took cars, and went out to Willys-Overland during working hours and hauled people down.

The cars were numbered on the windshield, with numbers that big [indicating], and I have seen cars as high as No. 25, and the people they wanted to bring down to vote were brought down, at company expense, I believe.

So there was never any element of doubt in an election.

Senator MUNDT. What would happen, Mr. Speidell? You say that the people in Willys-Overland had to go down and get their attendance cards punched. That indicates there was some compulsion about it. Suppose they had some obstinate guy who said, "I will not go down"?

Mr. SPEIDELL. He became suspended.

Senator MUNDT. From the union?

Mr. SPEIDELL. That is right.

Senator MUNDT. Even though he paid his dues?

Mr. SPEIDELL. That is right. That is to the best of my knowledge. I believe I am right. There was some compulsion. They had to do it, but no other shop in the local had to do it.

The CHAIRMAN. What was the idea of getting an attendance card punched?

Mr. SPEIDELL. So it would insure the fact that each member at Willys-Overland had an attendance card—

The CHAIRMAN. What?

Mr. SPEIDELL. It insured the fact that each member at Willys-Overland had an attendance card and when election time came they didn't have to question. We did campaign ourselves. You would try to get your own shop to vote. You would do your darndest to get your members from your own shop down to the local to get cards, but on their part it was all voluntary. They would say, "Yes, we will go down and get them."

But you fellows know how hard it is to get people out to vote. You couldn't get them out.

The CHAIRMAN. As I understand you—and I am trying to follow you—in some plants they left it to you voluntarily, if you wanted to vote. You had to go down and have your attendance card punched.

Mr. SPEIDELL. No. The local 12 elections most generally occurred in April. You had to have this attendance card to vote. They punched that with a special punch when you voted. You had to have your attendance card to vote.

Senator MUNDT. No attendance card, no vote?

Mr. SPEIDELL. That is right.

Senator MUNDT. Like registering in another election.

Mr. SPEIDELL. Yes. Even though you had your official paid-up dues receipt, you couldn't vote. You had to have an attendance card. Of the approximately 65 shops in the local, the Willys-Overland was the only one that had those requirements.

The CHAIRMAN. Just a moment. As I understand, 65 shops all belonged to the same union, and the way they controlled the election, according to your viewpoint or your testimony, is that the Willys-Overland people had to go and have their card punched.

Mr. SPEIDELL. That is right.

The CHAIRMAN. The others did not have to?

Mr. SPEIDELL. That is true.

The CHAIRMAN. How many employees were in Willys-Overland?

Mr. SPEIDELL. I guess during the war they would run 15,000.

The CHAIRMAN. About 15,000?

Mr. SPEIDELL. Yes.

The CHAIRMAN. So they would have them all required to go get their cards punched?

Mr. SPEIDELL. That is right.

The CHAIRMAN. Then they haul them out on election day to vote?

Mr. SPEIDELL. Those that they wanted to haul.

The CHAIRMAN. Those that they wanted to vote?

Mr. SPEIDELL. That is right.

The CHAIRMAN. Were the others precluded from voting?

Mr. SPEIDELL. If they did it on their own time they could vote.

The CHAIRMAN. But the ones they wanted to vote particularly didn't lose any time?

Mr. SPEIDELL. No, sir.

The CHAIRMAN. Is that what you are saying?

Mr. SPEIDELL. That is what I am saying.

The CHAIRMAN. How many would vote in those elections out of the 40,000?

Mr. SPEIDELL. That was always a secret. It was never divulged. But the number of votes usually would run all the way from 500 to 700 or 800.

The CHAIRMAN. From 500 to 700 or 800?

Mr. SPEIDELL. All the while that I had knowledge of it.

The CHAIRMAN. Do you mean as a total vote out of 40,000?

Mr. SPEIDELL. That is right.

The CHAIRMAN. They would vote in the elections?

Mr. SPEIDELL. That is right.

The CHAIRMAN. Were you elected in that kind of an election?

Mr. SPEIDELL. That is right, sir.

The CHAIRMAN. What year were you elected—1944?

Mr. SPEIDELL. Yes, 1944.

The CHAIRMAN. How long did you serve?

Mr. SPEIDELL. Four years, until 1948.

The CHAIRMAN. Were you defeated?

Mr. SPEIDELL. No, sir. I decided to quit.

The CHAIRMAN. You decided to quit?

Mr. SPEIDELL. Yes, sir.

The CHAIRMAN. You voluntarily quit?

Mr. SPEIDELL. Yes, sir.

The CHAIRMAN. What was your salary during that time?

Mr. SPEIDELL. \$110 at the last.

The CHAIRMAN. A week?

Mr. SPEIDELL. That is right, sir.

The CHAIRMAN. All right, Senator Curtis.

Senator CURTIS. Mr. Speidell, you have testified that you voluntarily quit the union and your job as recording secretary. You did that to go into business? Well, ultimately you went into business?

Mr. SPEIDELL. That is more like it.

Senator CURTIS. At the present time in your business, are a great many union members, rank and file members and some officers, your customers?

Mr. SPEIDELL. Yes, sir.

Senator CURTIS. And there was no trouble when you left. You voluntarily left, and you are still friends with those people; is that correct?

Mr. SPEIDELL. With what people?

Senator CURTIS. Many of the rank and file of union people?

Mr. SPEIDELL. Yes, sir.

Senator CURTIS. They are an important part of your customers, are they?

Mr. SPEIDELL. Yes, sir.

Senator CURTIS. As recording secretary, did you make payments to the flower fund?

Mr. SPEIDELL. Yes, sir.

Senator CURTIS. How often would you make them?

Mr. SPEIDELL. Well, that can be told in a hurry. I had to make \$5 a week payments in order to get my check. Then I paid two fines in addition. One time I was late, and as I recall, you were allowed 5 minutes grace period in the morning and then from 5 minutes until 30 minutes late cost you 75 cents. That graduated on up until noon, and if you didn't get in at noon it would cost you \$12. It went from 75 cents to \$12.

One particular time I had to pay 75 cents, and then the other time I resigned at a local 12 meeting on Friday night and I came in on a Saturday morning. They usually held their staff meetings on Saturday morning. They usually held staff meetings in Mr. Gosser's office on Saturday morning.

I resigned on Friday night. So I come in the next day, cleaned up my desk, and waited for my check. I thought, of course, that they wouldn't want me in the staff meeting, so I didn't go up. When they came down, I paid \$10 to get my check because I didn't attend the staff meeting.

The CHAIRMAN. Staff meeting of what?

Mr. SPEIDELL. Mr. Gosser's staff meeting. That was the regional representatives and the local 12 officers. He held combined staff meetings of the two.

The CHAIRMAN. He would have a staff meeting each morning?

Mr. SPEIDELL. Every Saturday morning, and sometimes oftener.

The CHAIRMAN. And required you to be there?

Mr. SPEIDELL. We had to be at all meetings.

The CHAIRMAN. I mean, the regular meeting was on Saturday, the staff meeting?

Mr. SPEIDELL. Usually.

The CHAIRMAN. Well, at any rate the usual meeting. The regular meeting would be Saturday unless there was some change?

Mr. SPEIDELL. That is right.

The CHAIRMAN. All of you had to be there?

Mr. SPEIDELL. Yes.

The CHAIRMAN. Failure to be there or coming in late, you could be fined?

Mr. SPEIDELL. \$10.

The CHAIRMAN. I thought you said it ranged from 75 cents.

Mr. SPEIDELL. That was only for being late for work each day.

The CHAIRMAN. That is the day's work?

Mr. SPEIDELL. That is right; that is every day.

The CHAIRMAN. But the staff meeting you had to attend or you were fined \$10?

Mr. SPEIDELL. There were more meetings than there were days in a week, almost, and we were fined \$10 for missing any meeting.

The CHAIRMAN. Were there such things as regular staff meetings on regularly scheduled days and times?

Mr. SPEIDELL. When Mr. Gosser was in town it would be on Saturday morning.

The CHAIRMAN. The regular meeting when he was in town was on Saturday morning?

Mr. SPEIDELL. That is right, sir.

The CHAIRMAN. Sometimes there would be called meetings?

Mr. SPEIDELL. That is right, sir.

The CHAIRMAN. And when you got notice of it, you were expected to be there?

Mr. SPEIDELL. That is right, sir.

The CHAIRMAN. Failing to be there, you were fined \$10?

Mr. SPEIDELL. That is right, sir.

The CHAIRMAN. Failure to be at your work, your place or post of duty on time, if you got there late you were also fined for that?

Mr. SPEIDELL. That is right, sir.

The CHAIRMAN. And these fines went into what fund? Where did the money go?

Mr. SPEIDELL. As far as I know, they were supposed to go into the flower fund?

The CHAIRMAN. The fines from being late to staff meetings, failing to attend staff meetings, and for being late to work went into a flower fund, as far as you know?

Mr. SPEIDELL. That is right, sir.

The CHAIRMAN. All right, Senator. I was just trying to understand it a little more.

Senator CURTIS. This particular \$10 fine that you referred to, you were fined for not going to the staff meeting on the Saturday morning following your resignation on Friday?

Mr. SPEIDELL. That is right, sir.

Senator CURTIS. They made you pay the \$10 before you got your check?

Mr. SPEIDELL. That is right. Can I add one thing?

Senator CURTIS. Yes.

Mr. SPEIDELL. I resigned at the local 12 meeting and the membership accepted my resignation at the meeting.

Senator CURTIS. And you went down to pick up the check and clean your desk and they fined you \$10 for not being at the meeting?

Mr. SPEIDELL. That is right.

Senator CURTIS. Where did you make your payments to the flower fund?

Mr. SPEIDELL. I made my payments to a girl by the name of Agnes Biske.

Senator CURTIS. Whose office was she in?

Mr. SPEIDELL. Melvin Schultz. He was president of the local at the time.

Senator MUNDT. Is that the same Mr. Schultz who was just in here?

Mr. SPEIDELL. Yes, sir.

Senator CURTIS. Would you make those payments by check?

Mr. SPEIDELL. I suppose you could have, but regardless—I never paid by check. But regardless of how you paid them, you had to pay that money before this girl would give you your check for that week.

Senator MUNDT. Do I understand you to mean that you had to make a \$5 payment per week into the flower fund before you got your regular salary check?

Mr. SPEIDELL. Yes, sir. That was a hardship on some people because they had fines as high as \$40 a week.

Senator MUNDT. She wouldn't give you your check for what you earned until you paid this payment to the flower fund?

Mr. SPEIDELL. That is right, sir.

Senator MUNDT. Would you call that a voluntary contribution to a flower fund?

Mr. SPEIDELL. Well, we agreed to it. It was a condition of employment, almost.

Senator MUNDT. A condition of employment?

Mr. SPEIDELL. Yes, sir.

Senator MUNDT. The voluntary part was you can either work under these conditions or not work?

Mr. SPEIDELL. That is right.

Senator MUNDT. I heard it described as a voluntary fund. I wondered if the element of "voluntary" entered into it. There is some volunteerism, I suppose, at that stage, as you mentioned, but once you accept the employment you are stuck for the payment.

Mr. SPEIDELL. That is right, sir.

Senator CURTIS. Mr. Speidell, were international representatives and local 12 officers required to work at the farms?

Mr. SPEIDELL. Yes, sir.

Senator CURTIS. Or at the summer camp?

Mr. SPEIDELL. Yes, sir. When we say the camp, we meant the farms or the camp, or both.

Senator CURTIS. And were you required to do that?

Mr. SPEIDELL. Yes, sir.

Senator CURTIS. In what form would that notice of that requirement come to you? How would you know that?

Mr. SPEIDELL. Letters from Mr. Gosser.

Senator CURTIS. How long a day would you spend there?

Mr. SPEIDELL. Well, we had to be up there at 9 o'clock in the morning. I forgot exactly how long it was when we left—4 or 5 o'clock in the afternoon.

Senator CURTIS. What would happen if you didn't go?

Mr. SPEIDELL. You were fined. I believe that was more than \$10, but I am not sure. I think that was \$12 or \$14 if you didn't go up to the farm.

Senator CURTIS. Were you ever fined for not going up there?

Mr. SPEIDELL. No, sir.

Senator CURTIS. You always went?

Mr. SPEIDELL. I always went.

Senator CURTIS. You were required to do a considerable amount of work when you were up there?

Mr. SPEIDELL. You can say required if you want to, but when you take a person as soft as I was from sitting at a desk all the time and send them to the farm you just can't get work out of him. I didn't work. I told Gosser that. I suggested to him that if I am getting \$110 a week that he fire me and hire four farmers in my place, because I wasn't working.

If that was a condition of employment, I couldn't do that type of work if I wanted to. We were out in the woods in zero weather, chopping down big trees. We had two big huskies on the end of a crosscut; I couldn't, but they did. We would knock trees down. He had in mind buying a sawmill. He was going to make that camp self-sufficient in every way.

Whether he ever bought the sawmill I don't know. We would go out in the woods and chop down these big trees, and then we would quick-skin the trees, our breath would last that long; it would take us a couple of hours, and we would make a fire, and make the fire close to the trunk of the tree, and sit there all day.

Senator CURTIS. Some of the people had to work pretty hard?

Mr. SPEIDELL. Yes, sir.

Senator KENNEDY. May I interrupt?

Senator CURTIS. Yes.

Senator KENNEDY. Did you receive a salary as an officer of the local?

Mr. SPEIDELL. Of local 12, yes.

Senator KENNEDY. When you talk about \$110 a week, were you receiving that from the company or the union?

Mr. SPEIDELL. The union.

Senator KENNEDY. You were not working for a company, but just for the union?

Mr. SPEIDELL. That is right.

Senator KENNEDY. Would everyone who worked at the plant have to contribute to the flower fund or just those employed by the union?

Mr. SPEIDELL. Just those employed by the union.

Senator KENNEDY. Were you employed by the union or were you elected to the union job?

Mr. SPEIDELL. First I was employed. I went down there in 1942 and was employed. I took care of War Labor Board cases and stuff like that, for local 12. Then I was elected recording secretary in 1944, still performing the duties, but a few additional duties.

Senator KENNEDY. Were you elected with the support—I gathered in your explanation of how you were elected that the powers that be secured your election. Is that correct?

Mr. SPEIDELL. That is right, sir.

Senator KENNEDY. Was this Mr. Gosser's group?

Mr. SPEIDELL. That is right, sir.

Senator KENNEDY. Then you would pay to the flower fund \$5 or \$10 a week?

Mr. SPEIDELL. Yes, sir.

Senator KENNEDY. Did you object to that?

Mr. SPEIDELL. I didn't at the time. It is like I say, you had no choice. You didn't have to work for the union.

Senator KENNEDY. As I understand it, and I am not defending the practice, you associated yourself with the practice, and permitted the Gosser group to put you in office, and that you then contributed to the political campaign fund which the Gosser group ran, the flower fund, or at least that part of it which was contributed to maintaining you and others in office.

It seems to me that if you are going to partake of the loaves and fishes that you have to contribute something to maintaining the organization. Was that your feeling then?

Mr. SPEIDELL. On the surface that would seem logical, but if you worked there there was quite a bit of resentment on the part of all the officers and full-time help.

Senator KENNEDY. You were elected, by your own description, in an improper election, or at least an election which did not treat everyone fairly as far as permitting them to vote. You were given a job and put in by the Gosser group. You were given a job paying \$110 a week. They asked you to contribute \$5 or \$10 a week to the fund which keeps that organization going. It seems to me if you did not like it, you should have worked someplace else.

Mr. SPEIDELL. You can ask if you want to, and if you say if I didn't like it I could work some place else, that is true.

Senator KENNEDY. But they put you in office. This, in a sense, was a plum.

Mr. SPEIDELL. Yes, that is true, but it just does not quite cover the situation putting it that way.

Senator KENNEDY. Well, tell me.

Mr. SPEIDELL. Ask me a question again.

Senator KENNEDY. What I am attempting to find out is if you went to work for the union, you were put into this office by the union, and your description of the election shows that everyone was not given a fair chance to vote, what I am trying to find out is whether you were really being treated unfairly and then contributed from that \$110 a week, which in those days was a pretty good job, whether you were being treated unfairly by being asked to maintain the flower fund which helped maintain the Gosser group in office.

Mr. SPEIDELL. There are two ways of looking at that. One is you have a loyalty to the union. You can become satisfied or dissatisfied with your bosses or the officers. Because you become dissatisfied with those people is no reason that you have a desire to quit working for the union.

Senator KENNEDY. But you run with the group; you are put in office by the group. I do not want to defend the practice at all, but it is a question of just what it is.

What happened so far as quitting, when you said you resigned? Why did you resign?

Mr. SPEIDELL. There were a number of reasons why. I always have felt that an amalgamated local such as local 12, should not interfere too much with any unit's politics, and particularly my own shop. What brought my resignation to a head was my own shop, Champion Spark Plug. Mr. Gosser called me in the office and asked me to support certain candidates on a slate out there that I sincerely, and not for political reasons only, that I sincerely did not believe were qualified.

Senator MUNDT. You are talking about a union election?

Mr. SPEIDELL. In a shop, a unit election, a union election but just an individual unit, Champion Spark Plug. He asked me or told me to see to it that certain people were put on the slate, and to try to get them elected.

Well, I didn't believe they were fit candidates, and I just wouldn't change my mind. Well, so to do that, that was one of my first splits. You just don't do those things with Gosser. You don't do them, but I did. The committee out there went along with me, at Champion Spark Plug, and he insisted that I bring that committee down to him. Well, by that time there was a rift, and the committee wouldn't come down and see him. One of the reasons they wouldn't was because any committee that went to see Gosser cooled their heels out in the aisle-way for a couple of hours until he got ready. Finally we got them down to see Schultz, the president of the local, and they made a stipulation that they would see Gosser if he would set the time, and his door would be open, and they would go in. He did that, and they went down and saw him.

Senator CURTIS. Mr. Speidell, did you ever receive an accounting—

Senator MUNDT. I have one question on the election.

As I understand the way this operated, this was a device by which Mr. Gosser and his group, of which you were a part, at least, at the time you got elected by fraudulent or improper methods, so-called, of the punchcard system, the purpose of the flower fund was actually used to prevent other union members from replacing the Gosser group in these other union jobs. The purpose of the flower fund was really to circumvent democracy in the unions rather than promote it.

Mr. SPEIDELL. I don't know what the flower fund was used for. I never saw one accounting. I don't know what it was used for, ever. We never had any report.

Senator MUNDT. You had some idea? You knew it was called the flower fund, did you not?

Mr. SPEIDELL. The elections that I talk about—the method—incidentally, I didn't say it was fraud, I said that it made it easier for certain people to vote than others, that didn't require any money.

Senator MUNDT. I am wondering who got the money from the flower fund. I always thought, as it was described by Mr. Reuther, as described by Mr. Gosser, and the other fellows took the fifth amendment, I thought the purpose of the flower funds was to perpetuate in office the people who are in office, so that they contribute to the flower fund and got all of their appointees and associates to contribute to the flower fund, and then they would hold a cocktail party or a dinner or something to ingratiate themselves at convention time so that they would get reelected.

If you had to contribute to that kind of fund, then it looks to me like you are compelling people to contribute to a fund to beat down and circumvent the ordinary processes of democracy in a union. If it wasn't used for that purpose, then I am curious to know who got the money.

Mr. SPEIDELL. I don't know, sir.

Senator MUNDT. You never asked who got the money?

Mr. SPEIDELL. You don't ask questions like that. We often talked about some kind of reporting or accounting on the flower fund, in the chatter we had between ourselves, but not in the open.

Senator MUNDT. Did anyone ever have courage enough to try to get up and bell the cat?

Mr. SPEIDELL. If you want to quit your job, you had the courage.

Senator MUNDT. But you never got an accounting or a reporting?

Mr. SPEIDELL. No, sir. If there was a report, I never saw it.

Senator MUNDT. It could have been used for speculation on the stock market, but as far as you know, no accounting was made to the people who contributed to the fund?

Mr. SPEIDELL. I know that to be a fact, that there was no accounting made to the people who contributed to it.

Senator CURTIS. In connection with the fact that there was no accounting, during the period that you were there as recording secretary, did you ever see evidence of spending of sums that may have come from the flower fund that would anywhere near equal what appeared to be the amount paid in?

Mr. SPEIDELL. No, sir.

Senator CURTIS. Did you ever hear Mr. Gosser make or infer any threats of injury that might come to someone who did not follow a particular course?

Mr. SPEIDELL. Yes, sir.

Senator CURTIS. Can you elaborate on that a little bit?

Mr. SPEIDELL. That happened numerous times, and I can't exactly recall him ever making that threat as far as the flower fund. But one of his favorite threats was he would have some one beat up, put in the hospital, and when they got out of the hospital he would have them beat up again so they went back to the hospital, or have them thrown out the window, or threaten them with a gun in his desk, which I never saw. But threats were common.

Senator CURTIS. And did he have goons around him?

Mr. SPEIDELL. Yes, sir.

Senator CURTIS. Were some of these people capable of beating up somebody?

Did any of them engage in ferrying workers from Willys-Overland down to the election?

Mr. SPEIDELL. I can't recall that it was those exact people. The people that ferried them from the Overland were workers from the Overland.

Senator CURTIS. Martin ferried some of them, did he not?

Mr. SPEIDELL. I believe he did at times; yes.

(At this point Senators Kennedy and McClellan left the hearing room.)

(At this point Senator Ervin entered the hearing room.)

Senator CURTIS. You say it was on many occasions that you heard language implying directly or indirectly threats?

Mr. SPEIDELL. On many occasions.

Senator CURTIS. Those threats came from Gosser himself?

Mr. SPEIDELL. That is right, sir.

Senator CURTIS. What would provoke those threats?

Mr. SPEIDELL. Almost anything; any kind of insubordination toward him. It was just an expression. He used it all the time and sometimes carried it out.

Senator CURTIS. During the time that you were recording secretary was Mr. Randolph Gray financial secretary?

Mr. SPEIDELL. Yes, sir; all of the time.

Senator CURTIS. You have known Mr. Gray during these years?

Mr. SPEIDELL. Yes, sir.

Senator CURTIS. Would you say that Mr. Gray is a man who is out of his mind?

Mr. SPEIDELL. No, sir.

Senator CURTIS. Decidedly to the contrary?

Mr. SPEIDELL. That is right, sir.

Senator CURTIS. Mr. Chairman, I have here a copy of a document which I will identify by a subsequent witness. There is one transaction on here that I would like to ask Mr. Speidell about. To save time I would rather not call Mr. Gray in here to identify it, as it would interrupt the chain of events.

The document purports to be a tabulation of expenses of the summer camp. I would like to hand it to the witness. I will just refer to the one item. I will not offer this in evidence.

I hand you a photostatic copy of what appears to be a tabulation of expenses paid for the summer camp, Mr. Speidell.

On the first page, near the bottom of the page, there is an item for \$36,360.38. Do you recall an occasion when Mr. Gray was going to take this statement up to Mr. Gosser's office?

Mr. SPEIDELL. Yes, sir; I do.

Senator CURTIS. Do you recall what Mr. Gray said to you?

Mr. SPEIDELL. He said "Watch Dick go up in the air when I show him this letter."

Senator CURTIS. Or the statement?

Mr. SPEIDELL. The statement. He used stronger words. When we got up there, that was true.

Senator CURTIS. The words as appear on the paper now recite "hardware items, too numerous to list in account classification \$36,360.38." That was what he was referring to, is it, when he said "watch Dick"—what was his language?

Mr. SPEIDELL. Well, it was strong. He meant watch him raise hell when he sees this.

(At this point Senator McClellan entered the hearing room.)
Senator CURTIS. Were you present when it was presented to Mr. Gosser?

Mr. SPEIDELL. Yes, sir; I was.

Senator CURTIS. What happened?

Mr. SPEIDELL. He did raise hell and said "What will my political enemies think when they see this?"

The CHAIRMAN. What is the document?

Senator CURTIS. We have not offered it in evidence because it refers to Mr. Gray. We are not offering it in evidence.

The CHAIRMAN. You are not offering it?

Senator CURTIS. Not at this point because Mr. Gray will have to identify it.

The CHAIRMAN. I thought he identified it.

Senator CURTIS. He did not prepare it.

Senator MUNDT. It was prepared by Mr. Gray.

Senator CURTIS. Is there a word stricken out there?

Mr. SPEIDELL. That is right, sir.

Senator CURTIS. Do you know what word was stricken out?

Mr. SPEIDELL. "Unlisted," I believe.

Senator CURTIS. So it is a word something before "hardware"?

Mr. SPEIDELL. That is right, sir.

The CHAIRMAN. What is the word?

Mr. SPEIDELL. "Unlisted," I believe, is the word.

The CHAIRMAN. Unlisted?

Mr. SPEIDELL. Unlisted.

Senator MUNDT. The word that was stricken is the word "unlisted"?

Senator CURTIS. I must say, Mr. Chairman, I think I am in error. I thought I was saving time by not having Mr. Gray identify this. He is the one that made the tabulation, and he can tell us.

The CHAIRMAN. This witness identifies it and maybe Mr. Gray can further identify it. I think you ought to make it an exhibit.

Senator CURTIS. All right.

The CHAIRMAN. You recognize the document, do you?

Mr. SPEIDELL. I do, sir.

The CHAIRMAN. Let it be made exhibit No. 20.

(The document referred to was marked "Exhibit No. 20" for reference and may be found in the files of the select committee.)

The CHAIRMAN. I guess you have identified it, have you, for the record?

Senator CURTIS. Yes, I stated what it was.

The CHAIRMAN. All right. It may be exhibit 20.

Senator CURTIS. To the best of your knowledge, this was prepared by Mr. Gray?

Mr. SPEIDELL. That is right, sir. I am not familiar with the rest of the items, but the conversation regarding that item—I am familiar with it.

Senator CURTIS. And Mr. Gray would know what word was stricken out?

Mr. SPEIDELL. That is right, sir.

Senator CURTIS. Mr. Speidell, you have testified about how elections were run. You have testified about the payments to the flower fund. You have testified about these hardware items of over \$36,000. You

have testified about numerous threats that Gosser would make, and the fines assessed. You testified as to the lack of accounting of the flower fund.

Did you ever say anything to Walter Reuther about these matters?

Mr. SPEIDELL. Yes, sir. I am glad you asked me that. I had the occasion in 1950, in the Secor Hotel in Toledo, to talk to the entire executive board, with Mr. Reuther presiding, and told him all of these things and many, many more. His secretary took notes. She sat on his left-hand side and took down everything I said and all of the other speakers.

Senator CURTIS. A reporter or secretary took it down?

Mr. SPEIDELL. I believe it was a secretary. It was a lady.

Senator CURTIS. What was your purpose for telling Mr. Reuther about these things?

Mr. SPEIDELL. It was in connection with those charges that some of the fellows in Toledo preferred against Mr. Gosser. I believe there were 28 points.

Senator CURTIS. But in talking to Mr. Reuther, was it intended by you to make an appeal to him that he do something about this situation?

Mr. SPEIDELL. We said that in words. That was exactly the reason for the meeting and for the charges, to clean up the corruption in Toledo.

Senator CURTIS. As best you can recall, when you told Mr. Reuther about these things, you recited all these things you recited today and many more?

Mr. SPEIDELL. And many more, even affecting his own political campaigns. I told him where Gosser was double-crossing him right and left. I don't know if you remember R. J. Thomas and Addes, but Gosser was playing both sides, and I told Reuther that. He never answered or said a word. This lady took down everything, and he never asked me questions or anything.

Senator CURTIS. What did the board ultimately do in that case?

Mr. SPEIDELL. They said that Gosser was not guilty of any wrongdoings. They couldn't find sufficient evidence. We told them, I told them myself, we did and I did, we told them things, and I used these words, that "They don't have to go any place for proof but into their own records, that the statements were conclusive. They could go right in their own records and prove them. They didn't have to go any place."

But yet they come back and say there was not sufficient evidence of any wrongdoing.

Senator CURTIS. They exonerated Gosser and placed the blame on Gray, did they not?

Mr. SPEIDELL. I don't recall that part too well.

Senator CURTIS. But he lost his job, did he not?

Mr. SPEIDELL. He did, yes, sir. But I was out of the local when he lost it. I am not too familiar with the circumstances surrounding Gray's dismissal.

Senator MUNDT. You said you told Mr. Reuther and the executive committee they do not have to look very far to find the evidence, they will find it in their own records?

Mr. SPEIDELL. Find the proof. And the evidence, too.

Senator MUNDT. Had they looked in their own records, in your opinion what would they have found as evidence of wrongdoing?

Mr. SPEIDELL. Well, in one instance there was a good example, a man who later became my partner in this tavern, and since then we have separated, his name was Frank Molik. He had charge of the summer camp. He was a local 12 employee. The summer camp belongs to local 12, directly, it does not belong to any other union, it belongs to local 12.

But Mr. Gosser put Frank Molik on the international payroll. Frank Molik's wages as a local officer was \$99.03 a week, and as an international officer it was, I believe, \$87 and some cents more every 2 weeks than it was as a local officer. The difference Mr. Molik had to kick back to the flower fund or Mr. Gosser, or whatever he did with it. Something like that, I told Mr. Reuther, "All you have to do is check your records as of this date and see if you have a Mr. Molik on there, and there sits Mr. Gosser. Ask him what Mr. Molik's duties are and how they are connected with the international, and why should the international pay him and why should he kick back the difference?"

Those are the kind of things that he told him he did not have to go any place for the proof, that this proof was right there.

Senator CURTIS. You told that to Reuther?

Mr. SPEIDELL. I told that directly to Mr. Reuther.

Senator CURTIS. Did he say anything?

Mr. SPEIDELL. He didn't say anything. He didn't say hardly anything in that meeting. In fact, Mr. Gosser and Mr. Ballard got up in the middle of my talk and walked out of the room.

Senator CURTIS. Gosser was there?

Mr. SPEIDELL. The entire executive board.

Senator CURTIS. Did they take any action to correct that situation concerning Mr. Molik?

Mr. SPEIDELL. There was a trial procedure, a meeting as a result of these charges preferred, 28, I believe, and, as I say, the board considered all the evidence that we gave them and all the testimony and came back and said there was not sufficient grounds for doing anything to Mr. Gosser, that he was okay.

Senator CURTIS. Do you remember any other specific kind of evidence that they could have found in the files other than that involving Mr. Molik?

Mr. SPEIDELL. Well, like incidents of other people. I can name them. You see, these international representatives, which Mr. Gosser was then, he wasn't vice president, he was an international representative or a board member, they are allowed so many representatives to work for them. It was easy to have vacancies. When they did occur naturally, and sometimes they did not occur naturally, he would take someone off of the local 12 payroll and turn them in on the international payroll, although they did not function. One of them hoed weeds in his garden. They didn't function as international men, but they were paid as international. The difference between the pay of an international man and a local man was kicked back to Gosser.

The CHAIRMAN. How would it be kicked back? They would be required to give him the difference?

Mr. SPEIDELL. Yes, sir.

The CHAIRMAN. Using this as an illustration, and I thought you did a while ago, here is a fellow getting \$100 a week, say, from the local—you were getting \$110 a week, I believe.

Mr. SPEIDELL. That is right.

The CHAIRMAN. Let's say he was getting \$110 a week from the local. For the local, that would be \$220 for two weeks.

Mr. SPEIDELL. \$87 was the difference every 2 weeks.

The CHAIRMAN. I am using this as an illustration.

Suppose he would take you. You were getting \$110 a week. That would be \$220 for 2 weeks.

Mr. SPEIDELL. That is right, sir.

The CHAIRMAN. So he takes you off of the payroll of local 12, puts you on the international payroll, and instead of paying you \$220 each 2 weeks, he would pay you approximately \$300 each 2 weeks, that would be the \$80 difference. You would continue to work for the local and you would kick back the difference to him between the \$220 and the \$300.

Mr. SPEIDELL. That is exactly right.

The CHAIRMAN. Is that what you are testifying?

Mr. SPEIDELL. Exactly.

The CHAIRMAN. Although the man continued his regular work. He was taken off the payroll of the local and put on the payroll of the international, which, for the 2 weeks' period of time, paid about \$80 more than he was getting for working for the local?

Mr. SPEIDELL. That is right.

The CHAIRMAN. But he continued doing the local work and not the international work?

Mr. SPEIDELL. That is right.

The CHAIRMAN. And took the \$80 or whatever the difference was and paid it over to Gosser?

Mr. SPEIDELL. That is right.

The CHAIRMAN. While you are at it, you better name two or three persons or more, whatever you can, who actually had that happen to them. Give examples.

Mr. SPEIDELL. Harold Dean. He still works for the local. Arthur Peth. There may have been more. I know that it happened to those two. That is three, with Frank Molik.

The CHAIRMAN. What was the other name?

Mr. SPEIDELL. Frank Molik.

The CHAIRMAN. Was it happening to the three all at the same time?

Mr. SPEIDELL. I can't answer that. It happened during the time I worked there. It may have happened at the same time.

The CHAIRMAN. During the 4 years. You were there for about 4 years?

Mr. SPEIDELL. Six years.

The CHAIRMAN. Two years you were an employee and 4 years you were an elected official?

Mr. SPEIDELL. That is right, sir.

The CHAIRMAN. During that 6-year period of time, you know of these three different men who were placed on the international payroll, who continued to do union local work and made the kickback of the difference to Mr. Gosser?

Mr. SPEIDELL. If you will pardon me for saying it, I told Mr. Reuther that and mentioned names; I mentioned these same names, and Frank Molik was in the room.

The CHAIRMAN. When did you have this conversation or this conference with Mr. Reuther at which you gave him all of this information?

Mr. SPEIDELL. I don't remember the month, but I am positive it was in the year 1950. It can be determined very easily.

The CHAIRMAN. 1950?

Mr. SPEIDELL. That is right.

Senator MUNDT. I would take it that there should be available from the records of the UAW unless they have been destroyed, some minutes of this meeting at which you appeared; is that right?

Mr. SPEIDELL. There should be, but every one that I have heard talk about it says there are no minutes.

Senator MUNDT. There should be. You saw them taking it down.

Mr. SPEIDELL. I saw them take them down. The girl was sitting there taking shorthand down right along. I do not believe the entire international board sits in executive session without someone sitting there taking down minutes.

Senator CURTIS. I might say that is one of the documents that we have been asking and asking for.

Senator MUNDT. They have failed to produce?

Senator CURTIS. That is right.

Senator MUNDT. Have we subpeneaed?

Senator CURTIS. Under the arrangement.

The CHAIRMAN. Any time you think they are not giving you a document because of the arrangement, I will issue a subpoena for you to get it.

Senator MUNDT. If you ask for it this way and they don't produce it, does that have the same situation in law as if you had actually subpeneaed them? I will ask that since I am not a lawyer.

The CHAIRMAN. If they destroyed it after it was asked for with this arrangement and this understanding, I think they would probably be in contempt of the committee; yes. But if I were going to try to make an actually airtight case, I would issue the subpoena.

Mr. MANUEL. May I say, Mr. Chairman, that I asked Mr. Rauh to find this transcript, if there was any, and produce it. He checked with Mr. Mazey and advised me over the telephone there is no record of any such transcript.

The CHAIRMAN. You can do the same thing by calling them in here and putting them under oath. I assume they would say there is no such record. It is just like the flower fund. They say the record has been destroyed.

Senator MUNDT. Was Mr. Mazey at the meeting?

Mr. SPEIDELL. Yes, sir; the entire board.

Senator MUNDT. That is one series of records, of course, which they could have found in their own books, which would either prove or disprove your charges. You told them what it was, where it was. You named it.

In your presentation, were you able to point to any other evidence of wrongdoing or were these three men and this type of thing the only improper practice about which you were complaining at this meeting in 1950?

Mr. SPEIDELL. There may have been, but I can't recall. There may have been. I cited some other irregularities.

Senator MUNDT. I am not asking for more names. Were there other types of improprieties, or was this the gist of the whole complaint?

Mr. SPEIDELL. There may have been. The one that stood out in my mind was not an impropriety. It concerned Reuther's political affairs. I thought it was pretty bad. When I told Reuther, he did not bat an eye. I could not figure it out.

I will tell you if you want me to tell you what it is.

Senator MUNDT. Go ahead.

Mr. SPEIDELL. At that time, R. J. Thomas was president and John Addes, secretary. Although I don't believe and never heard anyone say they were Communists, they surely favored the Communists and at the conventions or conferences Communists were chairmen of all committees named by them, and it was quite an issue.

When Reuther decided to go in, his campaign was to clean them out, clean out the pinks. Region 2-B, Gosser's region, was solidly behind Reuther. We went to Detroit for meetings and one time to the Masonic Temple for rallies, and Gosser was on the platform with Reuther.

In Toledo, we were all assembled. There were perhaps 15 of what was supposed to be keymen from the local and international. We were taken out to a restaurant and wined and dined. Gosser tried to persuade us to work for R. J. and Addes politically.

Senator MUNDT. Opponents of Reuther?

Mr. SPEIDELL. The opponents of Reuther.

Senator MUNDT. By R. J., you mean R. J. Thomas?

Mr. SPEIDELL. That is right.

Senator MUNDT. The alleged Communist?

Mr. SPEIDELL. No; he was not a Communist. They were favoring them and using them, almost fellow travellers.

In that meeting, it might sound egotistical, but I would not go along, and one other fellow would not go along. Gosser wanted it unanimously. Well, I just would not do it. That was that meeting.

Then, we had another meeting in Gosser's office and the same thing happened, that I still would not go along with, but there was a different fellow from the first time that would not go along, too. In Atlantic City, at the convention, Tom Berg, Walter Murphy, and myself, we were put in the room with George Addes and he worked on us for 2 hours to try to get us to campaign and get all of our delegates to work for R. J.

Senator MUNDT. That was not Gosser; that was somebody else?

Mr. SPEIDELL. Gosser put us in this room. He had us go. We were his lieutenants. He put Tom Berg, Walter Murphy and myself in this room with Addes.

Senator MUNDT. Let me ask you this, Mr. Speidell: If it becomes important in these hearings, as it may, to test the credibility of what you now tell us, against a denial by Mr. Gosser, do you remember the names of any of the people who were in that room that could be called upon to either corroborate your testimony or his?

Mr. SPEIDELL. In the three meetings or any one that I mentioned?

Senator MUNDT. Any one of them. Take the one at the restaurant where Gosser had you for dinner.

Mr. SPEIDELL. I couldn't name every one, but I could name enough. I believe Randy Gray was there, Meyers, Schultz, Ballard, Murphy—they were at both the first meetings.

Senator MUNDT. They were at the first two meetings?

Mr. SPEIDELL. At the first two meetings.

Senator MUNDT. Who was at the meeting which you have described the last time?

Mr. SPEIDELL. The one in Atlantic City, there was myself, and Tom Berg, I am positive. The third one, I think, was Walter Murphy. Tom Berg I am positive. Addes worked on us for a couple of hours. He couldn't persuade me to go along.

Reuther consequently got elected, but I thought myself that that would bowl Reuther over because here we are going to Detroit and hollering and yelling for Reuther, and in the meanwhile Gosser has us down in Toledo and at Atlantic City trying to get us to vote for R. J. and Addes.

I couldn't understand the man sitting there as quietly and composed as he did. I tell him that and Gosser sits there and hears me. I tell Reuther that right to his face. There were 75 or 80 people in the room. It was not a closed meeeting. It was the trial.

We had I don't know how many people as witnesses down there and the entire board sat there. I told Reuther that and it never made any difference. I don't understand human beings, I guess.

The CHAIRMAN. Was this meeting you are talking about where you told Reuther all of these things and where the stenographer was taking it down, was this an official meeting or a trial of some kind?

Mr. SPEIDELL. That is right, sir. It was in the Secor Hotel in Toledo and I am positive it was in 1950. It was a hearing based on the 28 charges preferred by, I believe, Harold Billheimer and Eddie Duck against Gosser.

The CHAIRMAN. It was a trial of Gosser on the charges preferred?

Mr. SPEIDELL. That is right, sir.

The CHAIRMAN. And all of this happened about your telling President Reuther about Gosser and some of the others?

Mr. SPEIDELL. That is right, sir.

The CHAIRMAN. Let me get one thing further. You have testified to this document a while ago that I made exhibit 20. What is this? Is that a part of the charges that were against Gosser at the time of this trial?

Mr. SPEIDELL. I don't know about that. The one item I do know about was the conversation I had with Randy Gray on the way up the steps regarding the \$36,000 item. I believe it was listed as unlisted items, and Randy Gray said, "Watch Gosser go up in the air," but stronger words, "when he sees this."

The CHAIRMAN. There is an item of hardware items too numerous to list in account classification.

That is all you are talking about?

Mr. SPEIDELL. That is right, sir.

Senator CURTIS. Mr. Chairman, may I state——

The CHAIRMAN. Off the record.

(Discussion off the record.)

The CHAIRMAN. Back on the record.

Senator MUNDT. I have one other question. Mr. Speidell, you said that Mr. Gosser had made threats of personal violence, I guess you would call them against people for various reasons, when they threatened to cross his path or not follow his discipline. Where were those made, to your own personal knowledge, where you heard any of those made, or did you get that from other people?

Mr. SPEIDELL. They were made in staff meetings and all kinds of meetings. They were numerous.

Senator MUNDT. You heard them yourself?

Mr. SPEIDELL. I did, sir.

The CHAIRMAN. What were they, threats?

Senator MUNDT. Threats of violence to people in the organization, who indicated they would not go along.

What I would like to know is whether any of these threats were ever implemented or were they just forensic suggestions that he would make? Did anybody get beaten up who opposed him?

Mr. SPEIDELL. These beatings that took place, the three, I believe they will be witnesses here, all three of them, they occurred after I had left the local and I do not know—I just can't recall if any of the threats were ever followed or not, but the implication was there.

There were a lot of fights, especially at conventions. I remember one in Grand Rapids right in the middle of the street. But to say whether or not any direct threat was ever followed up by a direct incident that I remember, I would not care to state that.

Mr. MANUEL. Mr. Speidell, you said earlier that Harold Billheimer signed the 28 charges?

Mr. SPEIDELL. I believe he did.

Mr. MANUEL. Do you know him?

Mr. SPEIDELL. Yes.

Mr. MANUEL. Is he out in the hall now?

Mr. SPEIDELL. Yes.

Mr. MANUEL. Do you know whether or not he was assaulted by one of Gosser's lieutenants?

Mr. SPEIDELL. Yes, sir.

Mr. MANUEL. Do you know who beat him up?

Mr. SPEIDELL. Orville Beamer.

Mr. MANUEL. Who was he?

Mr. SPEIDELL. An international representative working for Gosser.

Mr. MANUEL. Did he also beat up a man named Shorty Schick at that time?

Mr. SPEIDELL. Yes, sir.

Mr. MANUEL. Did you know Shorty Schick?

Mr. SPEIDELL. Yes, sir.

Mr. MANUEL. Was Shorty Schick an opponent of Gosser? Do you know why Schick was beaten up?

Mr. SPEIDELL. No, I don't exactly know why Schick was beaten up.

Mr. MANUEL. Did Orville Beamer beat both of them up the same night at the same place?

Mr. SPEIDELL. I believe he did.

Mr. MANUEL. Do you know that a policeman came by or was called during that fracas and that the policeman tried to arrest Beamer and some of Gosser's toughs took the prisoner away from the policeman?

Mr. SPEIDELL. I might say this, that I was not there, and anything

about this incident to me would be hearsay, that I would know about would be hearsay.

The CHAIRMAN. When was this incident supposed to have occurred? How long ago?

Mr. SPEIDELL. I believe it happened in approximately 1950.

The CHAIRMAN. Around 1950?

Mr. SPEIDELL. I am not positive.

Mr. MANUEL. Were you connected in any way with the Committee to Save the Toledo Payrolls?

Mr. SPEIDELL. No, sir.

Mr. MANUEL. Were you in their employ?

Mr. SPEIDELL. No, sir.

Mr. MANUEL. Were you paid anything by them?

Mr. SPEIDELL. No, sir.

Mr. MANUEL. Do you know anybody connected with that movement?

Mr. SPEIDELL. I don't know.

Mr. MANUEL. You do not consider yourself a tool to "save the Toledo payrolls," do you?

Mr. SPEIDELL. No, sir.

Mr. MANUEL. Did Gosser ever refer to you as that?

Mr. SPEIDELL. I opposed Gosser. I don't remember his saying that. He did say that I was against the pensions. I criticized him openly and we had these meetings and charges were preferred, and he said repeatedly that I was against the pensions that were just being created then.

The pensions were just coming into union contracts. I was not even interested in pensions. I was out of the union.

The CHAIRMAN. Do you want this witness in the morning?

Senator CURTIS. No, I think we are through with him.

The CHAIRMAN. You will remain under your present subpoena subject to being recalled at such time as the committee may desire to hear you further. You will be given reasonable notice.

Will you accept that recognizance?

Mr. SPEIDELL. Yes, sir.

The CHAIRMAN. Thank you very much.

That is all for today.

(Whereupon, at 4:30 p.m., the hearing in the above-entitled matter was recessed, subject to call of the Chair.)

(Members of the select committee present at the taking of the recess: Senators McClellan, Curtis, Ervin, and Mundt.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

THURSDAY, AUGUST 20, 1959

U.S. SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D.C.

The select committee met at 5:30 p.m., pursuant to Senate Resolution 44, agreed to February 2, 1959, in room 3302, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Karl E. Mundt, Republican, South Dakota; Senator John F. Kennedy, Democrat, Massachusetts; Senator Sam J. Ervin, Jr., Democrat, North Carolina; Senator Frank Church, Democrat, Idaho; Senator Barry Goldwater, Republican, Arizona; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Jerome S. Adlerman, assistant chief counsel; P. Kenneth O'Donnell, assistant counsel; Paul J. Tierney, assistant counsel; Robert E. Manuel, assistant counsel; Walter J. Sheridan, investigator; Carmine S. Bellino, consulting accountant; Susan S. Becker, acting chief clerk.

The CHAIRMAN. The committee will come to order.

(The members of the committee present at convening of the session were: Senators McClellan, Goldwater, Curtis, Mundt, and Kennedy.)

The CHAIRMAN. The Chair will make a brief opening statement.

This particular series of hearings was originally scheduled for executive session. Senator Curtis had advised the committee that he had certain testimony that he would like to present to the committee, so that the committee might weigh it and determine whether it warranted the committee holding public hearings with respect to certain alleged improper practices on the part of the UAW and certain officers of that labor organization.

(At this point Senator Ervin entered the hearing room.)

The CHAIRMAN. We undertook to hold a series of executive sessions for the purpose of taking such testimony as Senator Curtis had in mind to present. We proceeded in that manner until a few days ago, at which time there had been certain developments that indicated to the committee that we might as well proceed in open hearings with the remainder of the matters that Senator Curtis cared to present.

Last Tuesday, the committee members voted unanimously to move into public hearings, and that is where we are this afternoon. Because of the closing days of the session of the Congress and the great burden

of unfinished business that the Congress is undertaking to transact before adjournment, and because of the responsibilities of individual Senators on the committee, some of which are equal to, if not greater than, the responsibility and duty of attending the sessions of this particular committee, we are having to make adjustments with respect to the time of holding these public hearings so as to accommodate the greatest number of the committee members, taking into account their other duties and responsibilities.

I know of nothing further to state at this time. We will just take such testimony as Senator Curtis cares to present. Thereafter, the committee may determine that it will want further testimony, or summon those who may be involved or who may be named in the testimony that will be presented, who may desire to be heard or who may desire to submit affidavits or other evidence that it feels that the committee should waive.

I believe that is all the Chair thinks necessary to state at this time.

Does any other member of the committee have any comment before we proceed?

Senator CURTIS. I think not, Mr. Chairman. In the interest of saving time, I am ready to proceed with the first witness.

The CHAIRMAN. I have tried to state it as fairly as I know the situation is.

Mr. Rauh?

Mr. RAUH. The transcript was made available to us at 12 o'clock yesterday, Mr. Chairman.

The CHAIRMAN. The Chair forgot to announce for the record that at last Tuesday's meeting, at the time that the committee decided to resolve the hearings into public sessions instead of executive sessions for the taking of further testimony, the committee also, at the same time, made public the testimony heretofore taken in the executive sessions. I should have said that.

All right.

Senator ERVIN. I think we might state also that at that time the committee voted that if any witness whose testimony had been taken in executive session desired to be permitted to testify in an open hearing, he would be permitted to do so.

The CHAIRMAN. Yes; I thank the Senator from North Carolina for that comment. I tried, from memory, to state everything that I thought should be stated at that time.

That is correct. The committee decided that any witness who had testified in executive session, who requested to be heard in public sessions, or any witness who had testified in executive session who any member of the committee felt should testify again in public hearing, that their request would be granted and the committee would hear them.

All right, Mr. Rauh.

Mr. RAUH. All right, Mr. Chairman.

The CHAIRMAN. Do you have a motion or a request?

Mr. RAUH. I have a request, sir.

The CHAIRMAN. State the request briefly, please.

Mr. RAUH. On page 445 of the transcript which was made available to us yesterday at the same time it was to the press, in the testimony of Mr. Speidell, there are certain statements which, had there been a

staff investigation, would have been proved to have been false. I have in my hand affidavits which were taken in 1950 when this matter was investigated by the United Automobile Workers—and I might say that everything that has come up has been investigated by our union—I have here certain affidavits which completely refute Mr. Speidell's testimony. My reason for calling them to your attention and asking for the privilege of reading them is to demonstrate once again what we have said, which is that unless there is a staff investigation before a hearing, whether it be executive or public, unfairness is going to crop up. Mr. Speidell made perjurous assertions against our union without an—

The CHAIRMAN. Just a moment. The Chair is not going to listen to a speech or a statement about your having statements. If they refute his testimony, and you would like to file them, that is one thing. But do not make statements that will provoke others to get into arguments on matters that may not be sworn testimony, about which we could not resolve the issue at this time.

Let us get a record and then, from the same record, we can come to our own conclusions.

Mr. RAUH. Yes, sir; I shall go right to that.

Mr. Speidell in his testimony referred to involuntary payments to the flower fund by three gentlemen. This is on page 445 and subsequently. One is a dead man, which is always a safe way of making assertions. But it so happens for Mr. Speidell's information—

Senator CURTIS. Mr. Chairman?

Mr. RAUH. That I have—

The CHAIRMAN. Just a moment.

All right.

Senator CURTIS. Mr. Chairman, we have witnesses here. Some of them have been here 3 weeks, waiting to testify. It was not scheduled that Mr. Rauh would be here and testify. If at a later time any member wants to call somebody as a witness to refute anything in the record that, of course, is their privilege. We are not through presenting our evidence in reference to the flower fund, or the investigation thereof of these matters which was conducted by the union.

The CHAIRMAN. Senator, if you would be patient for a moment, I will require him, if he wants to do so, to file those affidavits for our inspection. I will not make them a part of the record at this time. I want to proceed. If we get into an argument, we will be continuing for a long time.

Senator CURTIS. But Mr. Rauh was proceeding to testify, and we called the meeting, I thought, for something else.

The CHAIRMAN. I told him he would not testify, and the Chair will enforce it.

If you want to submit your affidavits for the committee's consideration, you may do so. I think the committee wants to get the truth, and if you have affidavits there that refute what a witness has said, you may submit them to the committee. We will examine them and determine, the committee will make the judgments, as to their appropriate disposition or use.

Mr. RAUH. I would like to therefore submit, if I may, sir, an affidavit by Mr. Peth, who is dead, but the affidavit was subscribed to on June 6, 1950, completely contradicting Mr. Speidell. I would

also like to submit an affidavit by Mr. Harold Dean, of the 7th of June 1950, completely contradicting Mr. Speidell.

The CHAIRMAN. Is Mr. Dean living?

Mr. RAUH. Mr. Dean is alive, on our staff, and available. Had there been an investigation by the staff, these things would have come out. The testimony would never have been given. And on behalf of our union, sir, I protest that we are the only ones who have ever been so treated.

The CHAIRMAN. Let the Chair make a statement.

You submit your affidavits. There has not been a full staff investigation into this matter. This is a matter that Senator Curtis has requested the committee to hear. We undertook to hear it in executive session. As I stated earlier, there were some developments that indicated to the committee that from here on the testimony might be taken in public, and the committee so decided by unanimous vote.

We will proceed that way. The affidavits will be received for the committee's consideration.

Senator Kennedy.

Senator KENNEDY. First, I would like to ask Mr. Manuel: Were you aware of the existence of these affidavits?

Mr. MANUEL. I have not inspected those affidavits, Senator Kennedy.

Senator KENNEDY. That is not the question.

Mr. MANUEL. I do not know, sir.

Senator KENNEDY. Were you aware of the existence of an affidavit signed by Mr. Peth in this matter, or Mr. Harold Dean?

Mr. MANUEL. I am not aware of them; no.

Senator KENNEDY. This is the first you have heard of it?

Mr. MANUEL. Yes, sir.

Senator KENNEDY. You never heard of these affidavits, that there were affidavits in existence on this matter?

Mr. MANUEL. No, sir.

Senator KENNEDY. I would like to ask Mr. Rauh a question.

The CHAIRMAN. This will have to be a matter for information. He is not a witness.

Senator KENNEDY. I understand that.

I am asking for information, Mr. Rauh. Why were affidavits obtained? Was this matter investigated before?

Mr. RAUH. Senator Kennedy, in 1950 the entire question was investigated, not only the question of Mr. Gosser and the flower fund, but the questions involving every witness that was standing in the hall with me for the 3 days of the executive session.

What happened was that a Mr. Billheimer brought before the UAW 28 charges. We held several hearings down in Toledo in 1950, and—

Senator CURTIS. Mr. Chairman, I object to the receiving of the testimony by an unsworn witness.

Senator KENNEDY. Senator Curtis, I have asked this witness for information for my benefit. I am not going to be shut off from securing that information. He is not testifying. It is not under oath. It is merely information I want to have as to whether this matter was ever investigated. If it could have been determined that such subpoenas were in existence in a public record, and if they could have been determined to be in existence, why didn't Mr. Manuel know of them?

That is my question, and I have a right to get that information. I would be delighted to have Mr. Rauh under oath, Mr. Chairman.

The CHAIRMAN. That would not be necessary.

Senator KENNEDY. And Mr. Manuel.

Mr. RAUH. I think I am under oath from the executive session, sir.

The CHAIRMAN. Mr. Rauh was under oath from the executive sessions. I thought counsel wanted some information.

Do you want Mr. Rauh sworn again and put under oath?

Senator KENNEDY. The question has been put.

The CHAIRMAN. I thought you were asking him for personal information.

Senator KENNEDY. I was, but Senator Curtis objects. If Senator Curtis wants him sworn in this matter, I am delighted to do so.

Senator CURTIS. I am objecting to taking up the time by having Mr. Rauh testify.

The CHAIRMAN. Proceed to make your statement, and we will go along.

Senator KENNEDY. I am only asking for the facts in this matter. I am astonished that Senator Curtis is objecting to this.

Senator CURTIS. I am objecting to the continuous filibuster against proceeding with these hearings. That is what it is.

Senator KENNEDY. Mr. Rauh?

The CHAIRMAN. Make your answer short and let's move along.

Senator KENNEDY. Let's continue, please, Mr. Rauh.

Mr. RAUH. I have here, sir, the full proceedings of the UAW on June 19, 1950. It has in it Mr. Billheimer's complaint and the findings on each event. It has Mr. Bolman's complaint back here, the other gentleman, and the findings on his complaint. It has every item, flower fund, Colonial Hardware, all the old stuff, 15 years old, that is now being redone. We held an investigation—

Senator KENNEDY. Now, Mr. Rauh, you have given us information. There was an investigation. I want to ask you this second question. Was it published, this information?

Mr. RAUH. Yes.

Senator KENNEDY. Third, I want to ask Mr. Manuel this question: Did you read the published record of the investigation which was conducted which has been referred to by Mr. Rauh?

Mr. MANUEL. Yes, sir; the findings, sir?

Senator KENNEDY. The published record of the investigation?

Mr. MANUEL. I am quite sure I have.

Senator KENNEDY. Did you read in that case any reference to affidavits in this matter which would have contradicted the witness' story?

Mr. MANUEL. Yes, sir. I believe it does not refer to affidavits.

Senator KENNEDY. Did you make any attempt to secure those affidavits?

Mr. MANUEL. I asked Mr. Rauh for all the transcripts and underlying evidence, that is, evidence underlying the findings, and he assured me there was no record of that.

Mr. RAUH. That is not correct, sir.

Senator KENNEDY. What is correct?

The CHAIRMAN. Gentlemen, we will get into a controversy where we have to put witnesses under oath.

Let's proceed. We have the affidavits. As the testimony develops, if there is any one that is misrepresenting facts, we will bring them under oath and let them take the risk of perjury. I don't know who is telling the truth. They ought to be under oath if they are going into substantive matters like this.

Senator KENNEDY. Mr. Chairman, this committee has some standing and stature, and, therefore, when you have an investigation by this committee, any charges leveled during such an investigation are regarded as having been substantial. In every other case which this committee has engaged, the charges made in a hearing should have some standing because they have been carefully investigated in nearly every case that I can think of, prior to the public or the private investigation. In this case, they have not been. Here we have an example of a serious charge which was aired 9 years ago, being covered in the press of this country, which was thoroughly gone into, where affidavits were secured, and we don't even have the affidavits presented to us.

I am finished.

Senator GOLDWATER. May I ask Mr. Rauh one question:

Who investigated these charges?

Mr. RAUH. The United Automobile Workers, sir.

Senator GOLDWATER. The charges were against the United Automobile Workers?

Mr. RAUH. No, sir. These were charges by a very small dissident group in Toledo, stirred up by the employers who were fighting our pension fight. So there were charges made against the local union. So, naturally, we investigated.

If any charges are made against any local we will look into them. We want to see that every local is careful in its handling of affairs. So we looked into them. Actually, sir, you have had these facts before you for a year and a half, because I myself presented this record to the committee staff over a year and a half ago, about the question, and your staff went to Toledo and investigated to be sure we had done a careful job of investigating ourselves. I think the simple thing might be to make the Kamerick-Tierney report public. This is a report by your own staff, a very careful job, I understand, referred to in the hearings. I have never seen it, because it is a confidential document of the committee.

The CHAIRMAN. Are there any further questions?

Senator CURRIS. Mr. Chairman. I have a request for some information of Mr. Rauh.

We have been asking for the transcript of the testimony taken when the executive board of the UAW investigated this matter. We have been unable to get it. I believe I am stating the record correctly, that the last time we did have a session here, Mr. Speidell testified under oath that he appeared at that meeting and that a transcript was made. My request is to the chairman to ask Mr. Rauh to bring in that transcript, the transcript of all the testimony taken by the executive board.

The CHAIRMAN. The Chair will make this statement for the record.

Mr. Rauh, as attorney for the UAW, has agreed, and at all times since any investigation of the UAW was started by this committee, through its attorney, it agreed that it would supply any and all documents, records, and so forth in its possession that the committee might desire upon request and without subpena.

For that reason, the Chair asks you the question: Do you have the document referred to by Senator Curtis?

Mr. RAUH. There is no document, and Senator Curtis knows it. What happened was this—Speidell didn't testify the way Senator Curtis said.

The CHAIRMAN. Let's do not argue that. Do you have the document?

Mr. RAUH. There is no such document. There never has been such a document.

The CHAIRMAN. Then you can't produce what isn't.

Mr. RAUH. I have told Mr. Manuel 15 times there is no such document, sir.

The CHAIRMAN. Right, then. There is no such document.

Senator CURTIS. Was there ever?

The CHAIRMAN. If there is any doubt about it, we will put him under oath.

Senator CURTIS. Was there any document? Was there any transcript made?

Mr. RAUH. No, sir; and Speidell never said that there was.

Senator CURTIS. Was there a transcript made before the committee that took the testimony prior to the executive board hearing?

Mr. RAUH. No, sir.

(At this point Senator Mundt withdrew from the hearing room.)

Senator CURTIS. We will be referring to it as time goes on. I have it here.

The CHAIRMAN. May I say that any time you want Mr. Rauh as a witness, we will call him.

Senator KENNEDY. Mr. Rauh has just been challenged by his statement. Did he say that something did not exist and you say that you had it?

Senator CURTIS. I have a letter dated June 12, 1950, sent to Mr. Edward Duck, 2520 Georgetown Avenue, Toledo, Ohio.

DEAR BROTHER DUCK: Enclosed is a transcript of the hearing of you and your committee before the Special Toledo investigating committee on June 1, 1950.

Fraternally yours,

EMIL MAZEY.

Mr. RAUH. That may have been a part of a transcript. I have checked 50 times. There is no transcript of the hearings. We have checked and Speidell never said there was. If a small part of it was transcribed and you have it, I am very glad you have it. If I had any of it, you would be very welcome to it.

The CHAIRMAN. You state that there is nothing that you have that you can turn over in that connection?

Mr. RAUH. Absolutely.

The CHAIRMAN. And you state you have turned over to the committee already whatever you have?

Mr. RAUH. Everything I could lay my hands on.

The CHAIRMAN. All right. Stand aside.

The first witness is Mr. Motsinger.

(Members of the committee present: Senators McClellan, Ervin, Church, Kennedy, Goldwater, and Curtis.)

The CHAIRMAN. Please be sworn.

You do solemnly swear the evidence you shall give before this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MOTSINGER. I do.

TESTIMONY OF JESS F. MOTSINGER

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. MOTSINGER. My name is Jess F. Motsinger. I reside at 15480 Turner, Detroit, Mich. My present occupation is maintenance scheduled worker of a Ford plant in Detroit, Mich.

The CHAIRMAN. You waive counsel, do you?

Mr. MOTSINGER. Yes, sir.

The CHAIRMAN. Senator Curtis.

Senator CURTIS. Mr. Motsinger—

The CHAIRMAN. Senator Curtis, may I ask if you have witness sheets on these witnesses?

No witness sheets.

Proceed.

Senator CURTIS. Mr. Motsinger, are you a member of a union now?

Mr. MOTSINGER. Yes, sir.

Senator CURTIS. What union?

Mr. MOTSINGER. I am a member of Local 228, UAW-CIO.

Senator CURTIS. How long have you been a union member?

Mr. MOTSINGER. I have been a union member in this union approximately 17 years.

Senator CURTIS. In this union, meaning this particular local or the UAW?

Mr. MOTSINGER. No; the UAW. In this local for a period of nearly 3 years.

Senator CURTIS. Have you ever held an office in a local union?

Mr. MOTSINGER. In the present local?

Senator CURTIS. In any local.

Mr. MOTSINGER. Yes.

Senator CURTIS. What was the first union office you had?

Mr. MOTSINGER. Well, I think that I have held every office that is within the UAW local, which included steward, regional steward, shift steward, shift chairman, shift vice president, educational director in a local union, newspaper editor for 2 years in a local union, president of the 11,000- or 12,000-member Kaiser-Frazer Local 142.

Senator CURTIS. When were you made president of local 142?

Mr. MOTSINGER. 1950 and 1951.

Senator CURTIS. You were elected to that office?

Mr. MOTSINGER. Yes, sir.

Senator CURTIS. For how long a term were you elected?

Mr. MOTSINGER. Well, the term is normally for 1 year. That can vary to the extent, based on the elections, of from 12 months to 14 or 15 months.

Senator CURTIS. How many times were you elected?

Mr. MOTSINGER. I was only elected once, because I did not run but once.

(At this point Senator Mundt returned to the hearing room.)

Senator CURTIS. What was the occasion that you did not run again?

Mr. MOTSINGER. Well, it was necessary at the time to form a coalition between two groups in a plant to prevent an undesirable group of a third group from possibly getting control of the UAW local.

Senator CURTIS. And you stepped aside?

Mr. MOTSINGER. Well, I stepped aside only in this respect: The coalition was between the group that I was in, or just more or less classified as in, which was the international group, and some of the people, the prior president whom I had defeated, and his group, which were two of the large groups, political groups, in the plant.

Senator CURTIS. What position did you take then?

Mr. MOTSINGER. I took the position—ran for the position of bargaining committee or negotiator, which is a position that is equal to—well, financially it is greater than the president's job of a local.

Senator CURTIS. Was both the president's job and this chairman of the bargaining committee a salaried job?

Mr. MOTSINGER. The president's job was a full-time salaried job out of the plant.

Senator CURTIS. What was your salary, if you recall?

Mr. MOTSINGER. I believe it was \$5,550 salary plus \$45 or \$50 expense.

Senator CURTIS. Per month or per week?

Mr. MOTSINGER. \$5,500 a year and—I think the total expense and salary was around \$7,500.

Senator CURTIS. About what did you draw as head of the bargaining committee?

Mr. MOTSINGER. In the bargaining committee of that type union in Kaiser's, especially under that contract, all of the 80 full-time union representatives in the plant were paid by the Kaiser Corp. The salaries of the bargaining committee, of the five-man bargaining committee, was based on the number of hours allowed each week at the rate that the man's actual classification in the plant would pay him. By that, if he made \$2 an hour in the plant, and the plant worked under that contract overtime, 60, 70, or 80 hours, then the bargaining committee got paid for all the time that anybody in the plant worked, although the bargaining committee did not work.

Senator CURTIS. But the bargaining committee was a higher paying salary than the president of the local?

Mr. MOTSINGER. Yes, sir.

Senator CURTIS. Have you ever been defeated for a union office?

Mr. MOTSINGER. Not in the 17 years in the UAW. I have never been defeated as an officeholder incumbent in my life, up to the present time, now.

Senator CURTIS. Now, Mr. Motsinger, did you later become an international representative?

Mr. MOTSINGER. Yes, sir. I was appointed by Mr. Reuther as an international representative early in 1953.

Senator CURTIS. Early in 1953?

Mr. MOTSINGER. Yes, sir.

Senator CURTIS. How long did you continue to be an international representative?

Mr. MOTSINGER. I served as an international representative until some time in 1955.

Senator CURTIS. About what time of the year?

Mr. MOTSINGER. In the early part. I believe it was in January. I can tell you in a minute, if it is important.

Senator CURTIS. That is all.

Now, Mr. Motsinger, where were you first assigned when you became an international representative?

Mr. MOTSINGER. Where I was first assigned? The story that was released from Solidarity House was that I was assigned to the GSA—I believe it is general administrative staff, and was sent to the west side of Detroit in region 1, which is, I believe, the largest region in the UAW.

Senator CURTIS. Do you know Richard Gosser?

Mr. MOTSINGER. Yes, sir.

Senator CURTIS. Were you at any time as an international representative assigned to him? Or under his jurisdiction?

Mr. MOTSINGER. Yes, sir. I was assigned to Richard Gosser's staff sometime in July of 1953.

Senator CURTIS. Now, Mr. Motsinger, do they have in the UAW a fund called the flower fund?

Mr. MOTSINGER. Yes, sir.

Senator CURTIS. Did you make payments to it?

Mr. MOTSINGER. Yes, sir.

Senator CURTIS. Do you recall about when you began making payments to it?

Mr. MOTSINGER. I started making payments to the flower fund upon my assignment to Mr. Gosser's staff, which I believe was in July of 1953.

Senator CURTIS. Do you recall how you first heard about the flower fund?

Mr. MOTSINGER. Yes, sir.

Senator CURTIS. Tell us about it.

Mr. MOTSINGER. Well, the flower fund actually was no secret between UAW members in the plant. Let's say the more learned members, of the functioning of the UAW—

The CHAIRMAN. What kind of members?

Mr. MOTSINGER. I mean the members in the plant who were a little bit more learned about the functions of the UAW.

The CHAIRMAN. In other words, those familiar with the union affairs knew about the flower fund?

Mr. MOTSINGER. That is right, that is exactly it. I would say this, all of us politicians in the union, to make it clear, knew that flower funds existed on the international staff. We didn't know the amount or such things as that.

Senator CURTIS. When was it first called to your attention that you should pay to the flower fund?

Mr. MOTSINGER. Well, while I was floating on the general administrative staff, on McKusker's staff on the west side, the other representatives who were on that staff were continuously making remarks about the flower fund and the fund you paid into, and I was questioned as to what I was paying, inasmuch as most of these representatives, I would think that all of them, though I might be wrong

about that, had come out of a Ford union, local 600 at that time, I think.

Senator CURTIS. Did somebody make a direct request or direction that you make a payment to a flower fund?

Mr. MOTSINGER. Not there.

Senator CURTIS. I mean, eventually, did it come to a head and somebody asked you to pay?

Mr. MOTSINGER. Yes, sir.

Senator CURTIS. How was that request made?

Mr. MOTSINGER. When I was placed on Mr. Gosser's staff, taken off of the west side and out of region 1, on to his staff. I was called in to Mr. Gosser's office by his administrative assistant.

Senator CURTIS. Which one of Mr. Gosser's offices, the one in Detroit or Toledo?

Mr. MOTSINGER. I have never been in except the one office, and that is the main office in Detroit. I know nothing about Toledo and Gosser's office.

Senator CURTIS. You were called in to the Detroit office?

Mr. MOTSINGER. Right, sir.

Senator CURTIS. By whom?

Mr. MOTSINGER. Well, by Walter Madrzykowski; who is an administrative assistant of Mr. Gosser.

Senator CURTIS. What was said? Can you spell Madrzykowski?

Mr. MOTSINGER. M-a-d-r-z-y-k-o-w-s-k-i or y. I would not know which.

Senator CURTIS. What did he say to you?

Mr. MOTSINGER. Well, I was merely informed of a change in status, that I was going to be assigned duties on the competitive shop division of the UAW.

Senator CURTIS. That is headed by Mr. Gosser?

Mr. MOTSINGER. Yes. And that I would be assigned in other cities out of Detroit on the competitive shop, possibly the skilled trades and the organizational staff, in the field.

Senator CURTIS. What did they say about the flower fund?

Mr. MOTSINGER. I was told by Mr. Madrzykowski—I was given an indoctrination lecture on the do's and don'ts, if's pertaining to the job, and how to make out my expense sheets. I was told that I would be paying the flower fund, and that the amount had not been definitely determined as yet, but until then I would pay \$10—or \$5 a week, which would be \$10 every pay period, of the expense account.

Senator CURTIS. Were you told how to make that payment?

Mr. MOTSINGER. Yes.

Senator CURTIS. How were you to make the payment?

Mr. MOTSINGER. I was told to make the payments in cash. I was warned not to have to be asked about it, ever.

Senator CURTIS. Did you make these payments when you were away from the main office?

Mr. MOTSINGER. We were away from the main office, with the exception of returns home periodically, maybe a quarter of a year or 3 months or 4 months or something. We were always away.

Senator CURTIS. How did you make those payments while you were away.

Mr. MOTSINGER. All flower fund payments that I know of, and that I know of being made, were made in cash, pinned to that expense account for that week, or that pay period.

Senator CURTIS. When you made out a bill for your expenses and sent it in, you clipped to that your payment to the flower fund?

Mr. MOTSINGER. That is right.

Senator CURTIS. Were you told that you had to do that, that you had to pay it?

Mr. MOTSINGER. Well, Senator, I explained that in this way, by saying I was told what to pay and how much to pay, when I was transferred to that department, and not to ever have to be reminded of it.

Senator CURTIS. Well, were you ever reminded of it at a later time?

Mr. MOTSINGER. Well, yes.

Senator CURTIS. Tell us about that.

Mr. MOTSINGER. Well, my personal—being reminded as far as my part of it was concerned, happened on an occasion in Canton, Ohio.

Senator CURTIS. What happened?

Mr. MOTSINGER. That is when I was sent into that town. Well, I had gotten behind 1 week or 2, and they had missed my check, my paycheck, to another town, and I had received no paycheck. I had protested that, and I had made calls to Detroit. But when I sent my expense account in for the week, I omitted a receipt for some phone calls, as I recall, pertaining to my paycheck being missent to Elyria, Ohio, when I was 60 or 70 miles, or whatever the distance is, from that town. So my expense check, I received a call about it from the Solidarity House, and I was told about it by Madrzykowski. I pointed out that I resented my paycheck or expense account check should be held up under the guise of failure to send in a receipt. It developed that the flower fund was what they were mad about. I informed Mr. Madrzykowski that I resented very much that type of tactics and that I would send him a check for the flower fund, because I was rather mad.

Senator CURTIS. Was this a conversation when he was present or was it a telephone conversation?

Mr. MOTSINGER. That was from Detroit to Canton.

Senator CURTIS. A telephone conversation?

Mr. MOTSINGER. Yes.

Senator CURTIS. What did he say about sending in a check?

Mr. MOTSINGER. Well, he made statements to the effect about "Now, look, goddam it, Motsinger, who the hell do you think we are down here? We are not dummies, you know. You send the check here. You will get it right back but you won't get your expense check."

Senator CURTIS. So what did you have to do?

Mr. MOTSINGER. Well, what would you do?

Senator CURTIS. Just for the record, did you send the money in in cash?

Mr. MOTSINGER. I sent the money in.

Senator CURTIS. Did you continue to pay—

The CHAIRMAN. Will you state the date or about the time this happened? Would you state about the time this happened, Mr. Motsinger? What year? How long ago has it been?

Mr. MOTSINGER. Well, I was over there part of 1953 and 1954.

The CHAIRMAN. So it was in that period of time?

Mr. MOTSINGER. I would say it was in 1952.

The CHAIRMAN. All right.

Just one other thing to get clear: When you say you had sent in your expense account, you would send the \$10, or whatever it was?

Mr. MOTSINGER. Yes, sir.

The CHAIRMAN. Were you supposed to pad your expense account in order to make up for that, or were you to actually take it out of your own pay and send it?

Mr. MOTSINGER. No, that was to come from your pay.

The CHAIRMAN. It was not any padding of expense account or anything?

Mr. MOTSINGER. You couldn't get reimbursed for that.

The CHAIRMAN. That had to come out of your salary?

Mr. MOTSINGER. That is right, out of my own salary.

Senator CURTIS. Did you continue with substantial regularity of the payment of this \$5 a week all the time that you were an international representative?

Mr. MOTSINGER. I do not think that I missed more than one or possibly 2 weeks after that.

Senator CURTIS. And that was \$5 a week?

Mr. MOTSINGER. Yes.

Senator CURTIS. And from the conversation and the treatment you received, you regarded it as a necessity to keep those payments up, is that correct?

Mr. MOTSINGER. Well, I felt that there was no question about it, if I wanted to remain on the staff.

Senator CURTIS. And you always paid it in cash?

Mr. MOTSINGER. Yes, sir.

Senator CURTIS. Did you ever get an accounting of the expending of that money?

Mr. MOTSINGER. No. I never heard of anyone that ever did, as far as that goes.

Senator KENNEDY. What was that last bit?

Mr. MOTSINGER. Did I ever have an accounting or hear of an accounting of the flower fund.

No, I don't know of anyone in the UAW that ever did, as far as I know.

Senator CURTIS. Who did you send the flower fund to?

Mr. MOTSINGER. Well, our expense sheets were sent in, as I recall, in duplicate. I believe one was to Mazey's office and one was to Gosser's office, I believe was the way we sent that in, in duplicate, and it was to be attached to the executive shop, that was who you worked for.

Senator MUNDT. Would you pin this flower fund—

Mr. MOTSINGER. I might add this while it is on my mind. I, being mad, printed on the expense account sheet in colored pencil—I am a signwriter—and I happened to print it on there in fancy color across the face of the expense sheet, that money for flower fund will follow later because I recalled that Madrzykowski either told me on the phone or personally, I believe it was on the phone in that conversation that I know god damned well better than to do a thing like that. He says, "That expense sheet has to go upstairs."

The CHAIRMAN. Where you can restrain yourself and refine the language, please do so.

Mr. MOTSINGER. I assure you, Senator, it is no trouble to me to restrain myself, but I was waiting for someone else to delete it.

The CHAIRMAN. Why do you not just say, "With an oath he said," so and so?

Mr. MOTSINGER. Very well, sir. We will let them guess at it.

The CHAIRMAN. I am not trying to detract from the impact or the import of your testimony at all, but you can say, "With an oath he said," so and so.

Mr. MOTSINGER. Very well, sir.

Senator CURTIS. Mr. Motsinger, if you paid \$5 a week, and assuming you did not miss in a given year, that would be about \$260 a year; would it not?

Mr. MOTSINGER. Yes.

Senator CURTIS. Do you know how many international representatives were assigned to Mr. Gosser?

Mr. MOTSINGER. I believe you are wrong in your figures. I believe 52 times 5—that's right. I do not want to make this bigger than it actually is.

Senator CURTIS. How many international representatives are assigned to Mr. Gosser?

Mr. MOTSINGER. Currently?

Senator CURTIS. Yes, or then, either one, if you know.

Mr. MOTSINGER. Well, I believe at that time—I have the Christmas list. I think there was 130-some on Gosser's staff on the sheet that he mailed out with the home addresses.

Senator CURTIS. 130?

Mr. MOTSINGER. Yes, sir. That is the number that is listed on the sheet that he mails out that are classified as international representatives on Richard Gosser's staff.

Senator CURTIS. Do you have such a sheet?

Mr. MOTSINGER. Yes, sir.

Senator CURTIS. What is the approximate date of it? What year? Is it the current one or does it relate back to this time?

Mr. MOTSINGER. Sir, I would say it is in the 1953 or 1954 or I wouldn't have it.

Can we continue with the questioning, if you please, sir, while I look for it?

Senator CURTIS. We got started about 6:10 and if you cannot find it—

Mr. MOTSINGER. Here it is.

The CHAIRMAN. What is the document that you have?

Mr. MOTSINGER. Home address of international representatives on the staff of Vice President Richard Gosser, and this is the list with Gosser's picture.

The CHAIRMAN. I am just trying to identify it for the record. That is a list of all the international representatives that worked under Mr. Gosser at that time; is that correct?

Mr. MOTSINGER. Well, I would have to assume that it is from this, because I did not have no way of knowing.

The CHAIRMAN. That is what it purports to be?

Mr. MOTSINGER. Yes, sir; that is what he says it is.

The CHAIRMAN. That is what it purports to be?

Mr. MOTSINGER. Yes, sir.

The CHAIRMAN. It may be made exhibit No. 21 for reference.

(The document referred to was marked "Exhibit No. 21" for reference and may be found in the files of the select committee.)

Mr. MOTSINGER. May I request that I have this stuff returned to me?

The CHAIRMAN. Well, sir, I do not know about that. If they become official documents, reference made to them for quite some time. Is that all you have?

Mr. MOTSINGER. No. It is possible that other documents might be forthcoming that I certainly would want to keep for my personal records. That, in itself, is not of importance—

The CHAIRMAN. The Chair will say this to you: If you have a document that you desire to have returned to you, the committee will take custody of it for a sufficient time to make copies so that the original may be returned to you.

Mr. MOTSINGER. That is perfectly agreeable to me.

Senator CURTIS. Thank you, Mr. Chairman.

I believe, and you do not need to take time to figure this up, unless you have already, that 130 representatives, if they contribute \$260 a year, would be \$33,800.

Senator KENNEDY. Is that a question?

(At this point, Senator McClellan withdrew from the hearing room.)

Senator KENNEDY. Is that a question?

Senator CURTIS. No.

Senator KENNEDY. You said if they produced it.

Senator CURTIS. I said I believed it would figure out to that.

Senator KENNEDY. Will there be evidence that others are contributing \$5 a week?

Senator CURTIS. You will have to ask them.

Mr. Motsinger, do you know anybody else who contributed to this?

Mr. MOTSINGER. Well, I know of people who complained to me that they contributed to it.

Senator CURTIS. We have asked for the records and asked for them repeatedly. There was brought in some records showing some flower funds for 1959 only. They have not produced the records of the flower fund for the prior years, even the immediate past.

Mr. Motsinger, did you make any other payment in the nature of a political payment, a PAC payment or otherwise, or some such name as that?

(At this point, Senator McClellan reentered the hearing room.)

Mr. MOTSINGER. Yes, sir.

Senator CURTIS. Who requested that?

Mr. MOTSINGER. Well, the request for money for political action to be taken out of my check came in the form of a letter from Emil Mazey's office with an attached card, form card, of the UAW, Mazey's office, where I was to make—well, it had the statement prepared.

Senator MUNDT. Are you talking now about a contribution to the flower fund or a contribution to a political action committee?

Mr. MOTSINGER. This has nothing to do with the flower fund. If we are going to talk about the flower fund, let's don't confuse me. Let's talk about flower fund and political action separately.

Senator MUNDT. I am trying to distinguish in my own mind if these are two separate funds.

Mr. MOTSINGER. This has nothing to do with the flower fund of the UAW.

Senator MUNDT. This is an additional payment?

Mr. MOTSINGER. This is a political contribution for political action of the International UAW-CIO. That is all I can tell you.

(At this point, Senator McClellan withdrew from the hearing room.)

Senator CURTIS. You received a letter from Mr. Mazey?

Mr. MOTSINGER. Yes, sir, with a card.

Senator CURTIS. Do you have that letter?

Mr. MOTSINGER. Yes, sir. This, I might add, came when I went on the staff originally and was assigned to general administrative out on the west side of Detroit.

Senator CURTIS. Do you have that letter?

Mr. MOTSINGER. I have the card that I signed with the statements on it that you are supposed to make and sign. This is all attached together, but the card is headed, "To Emil Mazey, Secretary-Treasurer, UAW-CIO."

Senator CURTIS. When this request came, did you get more than one card?

Mr. MOTSINGER. I received this card and letter.

Senator CURTIS. Do you still have the letter?

Mr. MOTSINGER. No, I do not think I have that letter. I was supposed to send this back in.

Senator MUNDT. I see you have an envelope in your hand. Is there a postmark on the envelope as to when this occurred?

Mr. MOTSINGER. This is not the same envelope, but I received this and I refused to send it back in. I held it because I protested it. I kept it until I was called on it by Mazey, and I told him I had lost it, so they sent me out another one. I did sign it and I signed this one, but I did not send it in.

Senator CURTIS. You signed the second one for your records?

Mr. MOTSINGER. No. I signed the second one and sent it in to them.

Senator CURTIS. But the one you kept—they were both alike?

Mr. MOTSINGER. Yes, exactly.

Senator CURTIS. And you signed one and sent it in and you signed the other one for your record?

Mr. MOTSINGER. Yes.

Senator CURTIS. Now, will you read the card that you signed and kept for your record?

Mr. MOTSINGER (reading):

Effective with pay period commencing August 2, 1953 and continuing until I notify you otherwise, I am requesting that you deduct the sum of \$2 each week from my salary. This sum is to be paid to the UAW-CIO political action account as a voluntary contribution from me.

Name of the representative, with the office, L. I. U. 72 CIO, and I have the date on here when I signed it, July 9, 1953.

Senator CURTIS. What did you sign on it?

Mr. MOTSINGER. I signed J. F. Motsinger, my name, and sent it in.

Senator CURTIS. Was that voluntary? Were you told that you must do that?

Mr. MOTSINGER. I would put it this way: It is about as voluntary as a traffic ticket, as far as I am concerned. I knew what would happen if I didn't.

Senator GOLDWATER. Mr. Motsinger, would this payment be in the form of an assessment? Would it have the same effect as an assessment?

Mr. MOTSINGER. An assessment?

Senator GOLDWATER. Yes.

Mr. MOTSINGER. Well, I think literally, it is an assessment, but I am not sure it is in the form of an assessment that goes out legally through the channels of the UAW.

Senator GOLDWATER. In your union, do you have to pay your assessments before you can pay your dues?

Mr. MOTSINGER. It has been so long since I paid any assessments, actually, that I don't know. Our dues is all checkoff. My dues is checkoff.

Senator GOLDWATER. It is all checkoff?

Mr. MOTSINGER. Yes. The dues are taken out of your check. You do not pay those, unless you make special provisions for that, that you refuse to pay by checkoff and want to pay them at the office yourself.

Well, mine has always been on a checkoff.

Senator GOLDWATER. The reason I asked that was that in my part of the country the contributions to PAC were in assessment form and if they were not paid you could not pay your dues. If you did not pay your dues, you were not a member in good standing. I wanted to find out if that same procedure applied in the union of which you are a member.

Mr. MOTSINGER. No.

Senator CURTIS. Mr. Motsinger, this card authorized them to take \$2 a week out of your paycheck; is that right?

Mr. MOTSINGER. Yes, sir; \$8 per month.

Senator CURTIS. Do you have any card or any other record showing the deductions from one or more of your paychecks which shows this item?

Mr. MOTSINGER. Well, the deduction was made under the form of "V," miscellaneous.

Senator CURTIS. What do you have?

Mr. MOTSINGER. The yellow check stub. I believe it was taken out under "V" which, in code, means miscellaneous.

Senator CURTIS. What is that card you are reading from?

Mr. MOTSINGER. This is my pay stub.

Senator CURTIS. That comes with your paycheck?

Mr. MOTSINGER. Yes, sir.

Senator CURTIS. Will you read the entire card?

Mr. MOTSINGER. Well, I think it is too lengthy for that.

Senator CURTIS. What is the title? What does it say?

Mr. MOTSINGER (reading):

Explanation of code letters, earnings, deductions, and balances.

The date is January 1-15, 1955.

Senator CURTIS. What was deducted from your paycheck, according to that card?

Mr. MOTSINGER. According to that card, "E," \$11.50.

Senator CURTIS. Do you know what that was for?

Mr. MOTSINGER. Severance.

Senator CURTIS. All right.

Mr. MOTSINGER "F.U.," \$33.10.

Senator CURTIS Do you know what the \$33 was for?

Mr. MOTSINGER. I don't remember, but that is quite a gouge.

(At this point, Senator McClellan entered the hearing room.)

Senator CURTIS. What else does it say?

Mr. MOTSINGER. The code for that, sir, is not on here, but I really believe it is withholding, but I am not sure. Then "G.S.," \$50. I believe that was bonds. "M" was \$6, and that is group insurance. "V" is \$4, which is miscellaneous.

Senator CURTIS. And you know that \$4 to be the payment for the political fund relating to the card that you signed at Mazey's request?

Mr. MOTSINGER. Well, there is no question about that, I don't think.

The CHAIRMAN. Have you a card that you want made an exhibit?

Senator CURTIS. I am not asking that it be made an exhibit. He has read the pertinent parts into the record.

The CHAIRMAN. All right.

Senator CURTIS. Now, Mr. Motsinger, at any time during this time did you get a letter from Mr. Mazey that referred to the disposition of these funds and any "thank you" you might get in reference to it?

Mr. MOTSINGER. Yes, sir

Senator CURTIS. Do you have that letter there?

Mr. MOTSINGER. Yes, sir.

Senator CURTIS. Will you read it, please?

The CHAIRMAN. Let us see it. Do you have the original letter?

Mr. MOTSINGER. It is the original from "Solidarity" on Mr. Mazey's stationery over his signature.

The CHAIRMAN. If any member wishes to see it, he may.

Do you intend to make it an exhibit?

Senator CURTIS. Not if he reads it in. It is short.

The CHAIRMAN. All right. Any member wishing to see it may do so.

Mr. MOTSINGER. It is:

Greetings, Board Members and International Representatives:

From time to time you will receive letters of thanks from candidates for Federal office for donations they have received from you. This is occasioned by the fact that when a donation is made from the UAW-CIO political-action account to a candidate for Federal office, a list of names along with these amounts donated is sent him. This list of names is compiled from the list of individuals who made biweekly donations to our UAW-CIO political action account.

Fraternally,

EMIL MAZEY,
Secretary-Treasurer, UAW.

Senator CURTIS. Did you read the date of that?

Mr. MOTSINGER. That is July 23, 1954.

The CHAIRMAN. That was a separate fund to the flower fund, is it?

Mr. MOTSINGER. Yes; there is no checks.

The CHAIRMAN. That has no connection with the flower fund?

Mr. MOTSINGER. Inasmuch as I don't know where either one went, I would say if there was any connection it was after I paid them.

Senator MUNDT. Mr. Chairman, while you were out, I brought out that one was the flower fund and the other is a political action, a separate fund.

The CHAIRMAN. They originated as separate funds?

Mr. MOTSINGER. That is right.

The CHAIRMAN. And this letter is telling you that out of this political action fund, they would make donations to Federal candidates for office and send a list of the names as if you, as an individual and others as individuals, had made the donation rather than coming out of a political action fund of the union. Is that correct?

Mr. MOTSINGER. That would be my idea of why the purpose is, or the letter would come to me so that I would not be writing some Senator and telling him I didn't send him \$10.

The CHAIRMAN. I am trying to get this record straight. I was out for a moment, but they would collect from you and others a political-action fund. Then, the decision as to whom it would be donated to or any part of it donated to would be made somewhere else?

Mr. MOTSINGER. Yes.

The CHAIRMAN. They would turn in your name, because you had donated to a political action fund, as a donor to a specific candidate, and you might get a letter from that specific candidate saying, "Thank you for the \$2," or the \$10, whatever it was, and you would not know about it, except that it went through the political action fund of the union?

Mr. MOTSINGER. That is right. I do not recall that anyone was ever asked to designate their contributions to political action to any—

The CHAIRMAN. Did you ever get a letter from a Senator or Congressman thanking you for your fund?

Mr. MOTSINGER. Yes, sir.

Senator CURTIS. From whom did you get the letter?

Mr. MOTSINGER. I received the letter on franked, U.S. Senate stationery, from Senator Guy Gillette. It says:

MY DEAR FRIEND: I have been advised that you were generous enough to contribute \$10 to aid in the campaign in which I am engaged for reelection as U.S. Senator from Iowa. Because of the increased use of television and radio, campaigns have become much more expensive and since I have limited means of my own, I am very grateful for the assistance of friends in meeting the campaign expenses.

Thank you sincerely for your generous help.

Sincerely,

GUY GILLETTE.

The CHAIRMAN. That was a \$10 donation; is that right?

Mr. MOTSINGER. That is the amount that is specified in the first paragraph here by Mr. Gillette.

Senator CURTIS. Do you have the envelope that that letter came in?

Mr. MOTSINGER. Yes, sir.

Senator CURTIS. Whom is that addressed to?

Mr. MOTSINGER. Mr. J. F. Motsinger, 3237 Choate, Detroit, Mich.

The CHAIRMAN. The Chair is going to rule that that letter will have to be made an exhibit. You used the name of someone who signed it. That letter will have to be made an exhibit. It will be made exhibit No. 22.

(The document referred to was marked "Exhibit No. 22" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Exhibit 22 may be photostated and the original returned to you if you want it returned to you.

Mr. MOTSINGER. I have no objections as long as the material is concerned what you people do with it.

The CHAIRMAN. Well, when you read a letter, I think, certainly, the party mentioned in there is entitled to see it, examine it, and see if it is his signature and so forth. For that reason I am making it an exhibit.

Mr. MOTSINGER. I would think so.

Senator MUNDT. Do you know Guy Gillette of Iowa?

Mr. MOTSINGER. No; I don't know him.

Senator MUNDT. Have you ever met him?

Mr. MOTSINGER. No, sir; not that I know of.

Senator MUNDT. Have you any reason why you want to contribute to his campaign?

Mr. MOTSINGER. No.

Senator MUNDT. Let me ask you this: Were you ever consulted by whoever passed out this money as to which candidates you would like to contribute to, or did they simply take the money from you and somebody up on top decided where it was going to be spent?

Mr. MOTSINGER. No; I don't recall that anyone in the UAW anytime ever asked me about where any contribution that was made would be assigned.

Senator MUNDT. In other words, your testimony is that you had nothing to say whether this money went to Guy Gillette or Joe Bloke?

Mr. MOTSINGER. I don't recall.

Senator MUNDT. When it went into a campaign in Iowa or in any one of the other 50 States of the Union now?

Mr. MOTSINGER. No. I hardly think that I was asked about anything like that because, preferably, if I were to make contributions from my paycheck to anyone running for the Senate, I would prefer to make it for Senators from my home State of Arkansas or the State of Michigan.

The CHAIRMAN. Do you live in Arkansas?

Mr. MOTSINGER. Sir?

The CHAIRMAN. You said your home State of Arkansas. Are you a resident of Arkansas?

Mr. MOTSINGER. I am not a resident at the present time. I am a native.

The CHAIRMAN. Where were you born?

Mr. MOTSINGER. Northeast part, Clay County.

The CHAIRMAN. Very good.

Senator MUNDT. We won't hold that against you, Mr. Motsinger.

The CHAIRMAN. All right, proceed.

Senator MUNDT. Mr. Motsinger, did you ever live in Iowa?

Mr. MOTSINGER. No.

Senator MUNDT. Did you ever vote in Iowa?

Mr. MOTSINGER. No.

Senator MUNDT. Do you have any reason why you would want to contribute to any candidate in Iowa?

Mr. MOTSINGER. No. As I say, I would make contributions, if I had a choice, to people I know. As far as Senator Gillette is concerned, I use his razors, if he makes them.

Senator MUNDT. I think that is a different Gillette, but that is all right.

Senator CHURCH. Mr. Motsinger, there was really no hocus-pocus about this PAC fund; was there? You understood that the \$2 was

going each week into a fund which was going to be used for the purpose of making donations to candidates in the union favor?

Mr. MOTSINGER. There was no question in my mind about the PAC deduction—that it was going to happen—because before I was assessed with it from the international staff, I had heard rumors, if this is admissible, that when I went on the staff—the convention was coming up within 2 weeks—the national convention, and Reuther was going to accept a raise; all the administrative officers were going to get a raise. The raise was going to be passed down to the representatives, and we were going to be jumped from 90 or 95 a week plus expenses to \$115 plus expenses, but we were going to get tapped for PAC for a certain amount of it.

Senator CHURCH. You knew what the purpose of the PAC fund was going to be and that was all disclosed to you—that it was going to be a fund that was going to be used for the support of candidates for public office?

Mr. MOTSINGER. Yes.

Senator CHURCH. So it was no surprise to you when you received this letter. It was in accordance with what your understanding had been from the beginning—that this money was going into a general fund, and that the union officers were going to use it for purposes of campaign donations and participations in the campaigns of those candidates that the union favored, who were standing for office. You understood what it was about?

Mr. MOTSINGER. I will put it this way: I understood what the money was going to be used for—for political action by the UAW.

Senator CHURCH. You are actually saying the same thing in different words.

Mr. MOTSINGER. That is the shortest way I know how to say it—that I knew it was going to be used for political action.

Senator CHURCH. As international representative, you worked for and represented the international officers of the UAW, did you not, and particularly Mr. Gosser?

Mr. MOTSINGER. Yes, sir.

Senator CHURCH. So that you were a representative of the leadership of the union—those that have the high governing offices of the union?

Mr. MOTSINGER. Yes, sir.

Senator CHURCH. Do you know whether the members of the union who were the workers in the plant made contributions or had to make weekly contributions to the flower fund?

Mr. MOTSINGER. Members in the plant?

Senator CHURCH. Yes. The ordinary UAW workers in the plant—any of the plants.

Mr. MOTSINGER. No, I don't think any member of the UAW, as far as the plants were concerned, was ever asked or would have made a contribution to a flower fund that was set up by the international union; no.

Senator CHURCH. They did not make contributions to this flower fund, did they?

Mr. MOTSINGER. I would not think so. I never heard of it.

Senator CHURCH. Do you know whether or not they had any regular weekly or monthly deductions made for the purposes of the PAC fund?

Mr. MOTSINGER. You are speaking of the rank and file members? Senator CHURCH. I am talking about the rank and file members.

Mr. MOTSINGER. The membership?

Senator CHURCH. The membership of the union.

Mr. MOTSINGER. No. His contributions were collected or asked for by the local union officers.

Senator CHURCH. As a voluntary proposition?

Mr. MOTSINGER. Yes, in the—

Senator CHURCH. So this thing that you have described here was something that related to the people who were the international representatives, working for the governing leadership of the union?

Mr. MOTSINGER. I fail to understand you there. I do not want to answer that until we understand each other.

Senator CHURCH. I think you do. What you have testified here applied to international representatives and board members who were working for the international officers of the union, like Mr. Gosser.

Mr. MOTSINGER. Yes.

Senator CHURCH. I just want to establish the fact that what we are talking about here relates to a special group working for the officers of the union and does not apply to the rank and file membership of the union working in the plants. I think your testimony does make that clear.

Senator KENNEDY. May I ask a couple of questions?

The CHAIRMAN. Let me ask one first, if you will.

Do you know of any money paid out or donations made from the union treasury, that is, from dues money paid in by the members, paid out of the union treasury to the flower fund or to the political action fund?

Mr. MOTSINGER. Senator McClellan, that is a difficult question to answer for a local union to this extent: I know of no local union that pays into a flower fund. That is the flower fund specifically.

The CHAIRMAN. You are talking about the international flower fund?

Mr. MOTSINGER. That is exactly correct.

The CHAIRMAN. Of course, some local union may have its own separate funds of its officers, but you would not know about that.

Mr. MOTSINGER. That is possible, but I would not know about it. I can assure you that my local union did not have. I will put that on the record.

Senator KENNEDY. Can you tell us what salary you were getting at this time, yearly?

Mr. MOTSINGER. At what time?

Senator KENNEDY. At the time we are talking about, 1953.

Mr. MOTSINGER. When I went on the staff?

Senator KENNEDY. Yes.

Mr. MOTSINGER. When I went on, I went on about 3 weeks or 4 prior to the convention where the salary was changed and as I recall, my salary was \$95 a week, plus expenses, and was raised to \$115 a week, plus expenses, I would say, within a 3-month period.

Senator KENNEDY. How much were the expenses?

Mr. MOTSINGER. Your expenses were—

Senator KENNEDY. Was it a flat amount?

Mr. MOTSINGER. It was a flat payment of \$25 a week for an automobile. I believe it was 5 cents a mile for all over a designated number of miles that you would drive in 1 day.

Senator KENNEDY. In other words, then, you were receiving a wage at least back 6 or 7 years ago, a wage of about \$150 salary and expenses a week, is that correct?

Mr. MOTSINGER. Well, the salary and the car allowance would be \$140 exactly, those two, without any other expenses.

Senator KENNEDY. Who appointed you to this job?

Mr. MOTSINGER. The appointments came from Walter Reuther.

Senator KENNEDY. Through an agent? Did Mr. Reuther himself say he would give you the job?

Mr. MOTSINGER. Well, it was discussed at a convention, I believe, in Atlantic City.

Senator KENNEDY. Can you tell me what your job had been before this?

Mr. MOTSINGER. Pardon?

Senator KENNEDY. What had your job been before you were appointed international representative?

Mr. MOTSINGER. At that time I was bargaining committee and plant chairman of Kaiser-Frazer Local 142.

Senator KENNEDY. Who was paying you then? Was it the union or the company?

Mr. MOTSINGER. For the sake of the record, so that this will be clearly understood by the automobile workers all over the country, all members that serve the UAW in the Kaiser-Frazer Local 142, which was 80 full-time stewards that did not work, five members of the bargaining committee, plus some other minor officers, were all paid by Kaiser-Frazer.

Senator KENNEDY. Can you tell me how much you were paid then?

Mr. MOTSINGER. No, I couldn't, Senator Kennedy, because it was never the same either year.

Senator KENNEDY. Just give us approximately for 1952 and 1953.

Mr. MOTSINGER. I couldn't tell you either one of the years what I made.

Senator KENNEDY. You could not tell in a general way what you made? You have a lot of records there. Can you give us a general idea of what you were being paid before you became a representative? Were you being paid \$100 a week?

Mr. MOTSINGER. I think it would run over \$100 some weeks, under and over. I do not remember the yearly return. The Internal Revenue Department can give it to you exactly to the penny.

Senator KENNEDY. Can you tell me if you were being paid every week, or bimonthly?

Mr. MOTSINGER. We were paid every week.

Senator KENNEDY. How much was your check? Do you remember that?

Mr. MOTSINGER. Senator Kennedy, if you are not familiar with this, please let me have 1 minute to explain it to you, that the contract of Kaiser-Frazer called for the bargaining committee to be paid—the contract specifically stated that the members of the bargaining committee shall be paid at their job classification rate at the time of their election, that that is the amount they will get per hour.

They shall be paid for all hours work by more than either 30 or 50 men in the entire plant per week. Now, if the maintenance section of the huge Willow Run bomber plant had to work, or any department in the plant or 50 people in the whole plant, worked 100 hours in a week, the bargaining committee got 100 hours' pay at their rate.

Senator KENNEDY. Now I understand the point. The point is that some weeks you were paid less than \$100 and other weeks you were paid more than \$100.

Mr. MOTSINGER. There was a great variance.

Senator KENNEDY. The point I am interested in, however, is that this job that you then took was a job of substantially greater prestige and certainly greater power and influence; is that correct?

Mr. MOTSINGER. I would not say it was substantially greater pay. I think it was probably a little above—I know it was above the salary that you worked for as a local union president. I will put it that way.

I definitely know that it was more than \$5,500 flat salary.

Senator KENNEDY. Is it a promotion?

Mr. MOTSINGER. Pardon?

Senator KENNEDY. Is international representative a promotion from your previous job?

Mr. MOTSINGER. Well, the international representative job from the plant?

Senator KENNEDY. Yes. Is that a promotion?

Mr. MOTSINGER. You would have to check my records as to what I earned to the dollar there, because all the time I was on the staff there are men on the staff—

Senator KENNEDY. Why did you take the job if it was not more pay and more prestige?

Mr. MOTSINGER. For the same reason that a Senator would take a job for \$22,000 a year that might be making \$75,000 or \$100,000.

Senator KENNEDY. And you might be making what, \$7,500?

Mr. MOTSINGER. That he might be making \$75,000 a year, but he would take the job.

Senator KENNEDY. You are not suggesting, are you, that you took a pay cut when you took this job?

Mr. MOTSINGER. I am not suggesting. I am trying to give you the facts, but you are trying to twist them.

Senator KENNEDY. It is quite clear that you received an increase in your pay. You seemed to suggest by the example that you gave us that this was an increase in prestige and stature. Is that correct? and power and influence in the UAW? Is that correct?

Mr. MOTSINGER. A job on the international staff as the representative is one of the most coveted positions for a politician within the ranks of the UAW.

Senator KENNEDY. You have used the word "politician" twice. The point, of course, of all of this, as Senator Church suggested, is that you were moved up by the appointment of Mr. Gosser and Mr. Reuther and Mr. Mazey—I do not know which one, but one of the three—they appointed you to a job which increased your pay by quite a bit, in my opinion, a bit, increased your pay and stature, and gave you one of the most coveted jobs in the union. They were asking you to contribute, and it was voluntary in the sense that though you may have felt that you might lose your job if you did not contribute to it, they

were asking you to contribute to a fund, a political fund, the flower fund, so-called, which was used by the group in influence, the leadership group, who asked you to contribute \$5 a week to meet their expenses of maintaining themselves in office politically.

It seems preferable to use that system than the system that Hoffa and others used in taking union dues and using them for that purpose. I do not understand your complaint. I think it is extraordinary business, to bring in somebody, talking about something that can happen 6 or 7 years ago, a man who was promoted by the group in the union, who took the job voluntarily, had one of the most coveted jobs in the union and then was asked to contribute \$5 a week to maintain the influence of this particular group within the union, who did not have to pay it, he could have left the job if he wanted to, though there was not a suggestion, as I understand it in the message directly that you would lose your job if you did not pay it, though the implication may well have been there.

Nevertheless, even assuming that the implication was there, I must say I do not think that is an extraordinary price to pay to contribute to the support of one of the most coveted jobs in the UAW.

Second, there is nothing in the PAC story that we have heard that is illegal. It is obvious that the UAW has been active in political affairs for a number of years. They believe that certain people in the Senate of the United States, the House, Governors, and others, contribute to the welfare of their members.

We had a question about whether you had a voice in contributing your \$2 a week to Guy Gillette. In the investigation conducted by Senator Gore, the Du Pont family contributed \$250,000 in 1956, and it is my understanding that there were 900 of the family checked against a list of contributors, and I am sure that the Du Pont family was not informed, every one of them, which candidates were receiving this money, though I am sure they probably knew which party was receiving the money. It is my understanding that one of these contributors was 4 years old.

Mr. MOTSINGER. I feel you are trying to make comparisons that are far over my head as far as your philosophy is concerned about contributions to anybody. I would put it this way: I have been and am, against—even though I have had to participate in it—the expenditures of the dues dollars of the UAW workingman for any candidate that he does not designate himself. That is the only words that a simple-minded person from my State can state it to you so that it is clear. Whether in principle you agree with that, I cannot help that.

Senator KENNEDY. Tell me first whether when you said you would not contribute, were you told you would lose your job?

Mr. MOTSINGER. I will put it this way—

Senator KENNEDY. Put it the way it was.

Mr. MOTSINGER. No, I was not told I would lose my job, and I will put you straight on that.

Long before my appointment by Reuther to the staff, Mr. Reuther knew that I was not a person that was approached and told that there was something I had to do unless I was very sure that I would lose my job or something, because I just did not approve of it.

Senator KENNEDY. You started to say something and then changed that. You said Mr. Reuther would not have appointed you to the

job, or, when he appointed you, knew that you were the kind of a person who would contribute to the PAC, rather than you would not contribute to the PAC unless you were in threat of losing your job. How did Mr. Reuther know that? Did you tell Mr. Reuther that you did not want to contribute to the PAC?

Mr. MOTSINGER. No; I say that Mr. Reuther, who has known of me for quite a long time before I was ever appointed to the staff of him, knows that I have been a man, my record shows in the UAW, of independent thinking, and on many times have opposed the international and Mr. Reuther's philosophies.

I think that nobody, had they come out and made a strong issue of telling me that I had to pay the PAC, we would have probably had words. But inasmuch as I did want the job as international representative, it was a natural goal that anyone who works or goes into the union to build a career in the labor movement, it is the only place he can go when he has held every office in the UAW as far as the local union is concerned.

I would put it this way: I paid it under protest, but never was there any doubt in my mind that if I did not pay it, that I would remain on that staff.

Senator KENNEDY. You say you protested. Who did you protest to?

Mr. MOTSINGER. I say I paid it under protest from within my own self.

Senator KENNEDY. Did you ever protest to anyone?

Mr. MOTSINGER. I probably have many times.

Senator KENNEDY. Whom did you protest to?

Mr. MOTSINGER. I don't recall.

Senator KENNEDY. Do you recall any of the names?

Mr. MOTSINGER. Not specifically.

Senator KENNEDY. Did you ever protest to Mr. Mazey?

Mr. MOTSINGER. No.

Senator KENNEDY. At the time you were discharged from your position with the UAW, did you protest the matter to Mr. Mazey or Mr. Reuther at that time?

Mr. MOTSINGER. After I left the international staff, I never was granted an audience with Mr. Mazey, Mr. Reuther, Mr. Gosser, except—

Senator KENNEDY. At the time you considered your resignation, or whatever word you want to use, at the time, from the UAW, Mr. Reuther was present, we have the transcript; did you raise the question at that time?

Mr. MOTSINGER. I don't think we need to be childish about it. Do you think I should have, or would that have been the normal action of a person, of running there to the UAW and say, "Give me my money back"?

Senator KENNEDY. I am trying to find out if you did protest, and if so, to whom, that you did not want to pay and, if so, who did you protest to?

Mr. MOTSINGER. For the sake of the record, I did not protest the payment to Walter Reuther, Emil Mazey, or Richard Gosser. If that is what you want me to say, I will say that, because I told you I did not. I question whether any of the other 1,400,000 that are paying

dues just for political action have personally protested to either of the three, either.

Senator KENNEDY. Is it not a fact that Mr. Mazey informed you of the names of the people that your PAC money had gone to?

Mr. MOTSINGER. Pardon?

Senator KENNEDY. Did Mr. Mazey then inform you of the people who had received, had shared, in your political contributions?

Mr. MOTSINGER. By letter.

Mr. KENNEDY. A list of names?

Mr. MOTSINGER. No. As far as I know, I don't think I ever got any list of names. I think I got the letter from the Senator, Senator Gillette, but I know of no list. I do not recall any list of names that ever was furnished anyone.

Senator KENNEDY. Who PAC contributed to?

Mr. MOTSINGER. I don't recall that. I would think it would be pretty generally understood who they contributed to.

Senator KENNEDY. Thank you.

Senator GOLDWATER. I think we are getting away from the point here. I do not think that anybody can protest the existence of a so-called flower fund or political fund if the contributions are made voluntarily.

Historically, through the years, we have attempted by State laws and Federal laws to keep people from being forced to make political contributions to the person to whom they are responsible for their job. However, if that person wants to voluntarily send money, that is a different thing, and I do not think we can protest the voluntary approach.

I think what Senator Curtis is attempting to bring out here is the fact that the flower funds are not voluntary but compulsory.

Senator Kennedy talked about the Du Ponts' rather sizable donation. I suggest that that is voluntary. I remember one that John L. Lewis made of about \$400,000. I am convinced that that was voluntary.

Senator CURTIS. It was not John L. Lewis' personal money.

Senator GOLDWATER. We will not argue that point. It was voluntary.

I think we ought to keep this in the context in which we are trying to investigate. Senator Kennedy might not be satisfied with the rapidity with which this is developing, but I would suggest that we keep in mind that the only complaint that has ever been made about the flower fund is that it is a compulsory one, and that is what Senator Curtis is attempting to show by the evidence he is bringing before this committee.

Mr. MOTSINGER. May I say this, Senator Goldwater, that in reference to the Du Ponts and how they give, I think it should be looked at from the proper perspective of the giver and his position. I do not know if the Du Ponts or anyone else make contributions to any party, what they have in mind when they do it. I might have suspicions, but I do not know. But let's talk about the duress they are under. If it would be called voluntary, I would like to put it this way: If you are on an appointive job and not elective, where you can be sent back to your plant the next day for refusal or for being a nonconformist, there is a difference in refusing as a man who is on an appointive job of making a voluntary contribution, and a free citizen,

such as the Du Ponts or anyone else, who is under no obligations and stands no chance of the loss of their livelihood should they refuse. I want that for the record. That is the only way I can express myself.

Senator GOLDWATER. I agree with you 100 percent. I think that is the whole purpose of this.

When we first heard of these flower funds, we asked Mr. Reuther and Mr. Reuther stated that they were voluntary. We had reason to believe then and reason to believe since that they are not voluntary. If we are proven wrong, of course we will admit that. But I think that is what the whole purpose of this evidence is, to try and develop whether or not they are compulsory or voluntary. If they are compulsory, then I think it is wrong; if they are voluntary, there is nothing wrong with them.

The CHAIRMAN. Are there any further questions?

Senator CURTIS. Mr. Motsinger, you were assigned some place besides the Detroit area as an international representative, were you?

Mr. MOTSINGER. Yes, sir.

Senator CURTIS. What was the next location you served?

Mr. MOTSINGER. From Detroit I was assigned to Elyria, Ohio.

Senator CURTIS. About how long were you there? Just an estimate.

Mr. MOTSINGER. Four or five months.

Senator CURTIS. What were your duties there?

Mr. MOTSINGER. Well, I was assigned over there on an organizational drive to organize—well, to disorganize and then reorganize the General Industries plant in Elyria, Ohio, which was under contract and had been organized for many years by the MESA.

Senator CURTIS. What is the MESA?

Mr. MOTSINGER. I believe they call it the Mechanics Educational Society of America, but I am not positive, because I don't recall seeing it in print.

Senator CURTIS. What plant was that?

Mr. MOTSINGER. That is the General Industries plant in Elyria, Ohio.

Senator CURTIS. And you spent most of your time in Elyria on that assignment?

Mr. MOTSINGER. Yes; 4 or 5 months.

Senator CURTIS. Were there any other international representatives there?

Mr. MOTSINGER. Well, yes; there were several in and out. One was there, a man named Russell White.

Senator CURTIS. Is he an international representative?

Mr. MOTSINGER. Is he now?

Senator CURTIS. Was he then?

Mr. MOTSINGER. He was then; yes.

Senator CURTIS. What was your assignment with respect to Mr. White?

Mr. MOTSINGER. I was assigned to work under him on the organization of this plant, General Industries.

Senator CURTIS. Did you organize the plant?

Mr. MOTSINGER. No.

Senator CURTIS. Would you briefly tell us what happened?

Mr. MOTSINGER. Well, I can only say what I know—what happened. The NLRB office in Cleveland eventually threw out their petition.

Senator CURTIS. The UAW petition?

Mr. MOTSINGER. For an election in that plant, to take it away from this other union, on the basis that they did not have enough signatures in the plant, legal signatures, to come up to the required amount to petition for an election.

Senator CURTIS. Then where were you assigned after this place?

Mr. MOTSINGER. I was assigned next to the Hercules Motor drive in Canton, Ohio.

Senator CURTIS. Do you recall about how long you were there?

Mr. MOTSINGER. I think I went there in November. I am not positive of that, but it was in the fall of 1953. I think it was in November, the month. And I remained there until August or September of the following year.

Senator CURTIS. Then where were you assigned?

Mr. MOTSINGER. Well, I was transferred from there to New York City. I did not remain there but a couple of weeks.

Senator CURTIS. Were you still under Mr. Gosser when you were sent to New York City?

Mr. MOTSINGER. Yes, sir.

Senator CURTIS. What were you supposed to do in New York City?

Mr. MOTSINGER. Well, I did not know my duties, except that I had heard from other representatives that we were going to be sent down there to work in political action.

Senator CURTIS. Did you object to that?

Mr. MOTSINGER. I did not object at the time where I was being assigned, because I had no place else to go. I objected when my personal assignment in New York City, after waiting for several days without an assignment, because my leader, the man I was accepting my orders from, was—

Senator CURTIS. Who was that leader?

Mr. MOTSINGER. Paul Miley—was indisposed.

I was told by him and another man out of Detroit, who was another administrative assistant of Mr. Gosser's—

Senator CURTIS. What was his name?

Mr. MOTSINGER. Brother Joseph Mooney.

Senator CURTIS. Is Mr. Mooney here in the hearing room now?

Mr. MOTSINGER. He was. I am sure he was.

Here he is, sir [indicating].

That my work would be for the time being to work on a sound truck that they were going to operate in the election. This was in September, and I was to work in PAC in the election there coming up.

Senator CURTIS. On a sound truck?

Mr. MOTSINGER. Yes. That was the first description of the duties that Mr. Miley and a little gentleman—perhaps Mr. Mooney could furnish his name or somebody here. He worked in George Carrigan's office. I don't recall his name. He was, I think, more or less in charge of political action in Carrigan's area there.

I made statements to the effect that I did not hire out as an international representative to work in political action, and I did not intend to or did not care to.

Senator CURTIS. Your salary at this time was the salary of an international representative, was it not?

Mr. MOTSINGER. There was no change in my salary.

Senator CURTIS. And that salary comes from dues or a part of the dues paid by the members of the UAW, does it not?

Did it not?

Mr. MOTSINGER. Well, I was on Dick Gosser's staff as an international representative and I would presume all of our money come from the UAW.

Senator CURTIS. To your knowledge, in the union as president of the local, you know that the money that the international gets to run on and pay their international representatives come from the dues of the members, is that not true?

Mr. MOTSINGER. Yes, sir.

(At this point, Senator Kennedy withdrew from the hearing room.)

Senator CURTIS. You said you protested that. Did you protest it to Mr. Gosser?

Mr. MOTSINGER. No, I did not protest it immediately to Mr. Gosser then, that particular day, but I did within, I think it was 2 or 3 days.

Senator CURTIS. How did you protest?

Mr. MOTSINGER. I sent a telegram to Mr. Gosser requesting an interview with him which I had never had, except in summer camps or occasions such as that, that I requested an interview with him regarding a personal matter, and it amounted to being sent down there or placed in that kind of work, and at the same time I had not been assigned anything else by the man that I was sent down in there with for the reasons I stated before, and I wanted to thrash it out with Mr. Gosser, what my duties were going to be.

Senator CURTIS. Then what happened?

Mr. MOTSINGER. Well, there was quite a commotion about it, and it was decided that I would be sent to Philadelphia.

(At this point, Senator McClellan withdrew from the hearing room.)

Mr. MOTSINGER. It was decided that I would be sent to Philadelphia, to work back with a man that I had worked with and whom I had had my trouble with in the Elyria, Ohio, item a year or so prior to that.

Senator CURTIS. This was Mr. White?

Mr. MOTSINGER. Yes, sir.

Senator CURTIS. Before we leave the New York City, your complaint there was that you, as an international representative, were not assigned to union duties in the ordinary sense, but were assigned to political action duties and some connection with a sound truck, is that correct?

Mr. MOTSINGER. Yes. The sound truck was mentioned. I would be working on the sound truck during the campaign, and at that time the New York offices were going out in political action, I believe, in support of young Roosevelt, who was running at that time, and I think he was the leading candidate against Javits for the Attorney General of the State of New York.

(At this point, Senator McClellan entered the hearing room.)

Senator MUNDT. This is a very important point, if it is as I understand. Do I understand that, as an international representative in the New York area, your assignment was to be engaging in political activities in New York State rather than taking care of the problems that the union members might have in their bargaining relationships

with their employers, and you were protesting against that because you did not think that was a proper function for you to be engaged in as an international representative? Is that the picture you are telling us now?

Mr. MOTSINGER. Well, not exactly, Senator. My duties down there were not bargaining or anything in relation with management at all at any time after I was placed on Mr. Gosser's staff. That was only when I went on the international staff when I was troubleshooter and worked with several representatives in Detroit on contracts there. I was assigned on Gosser's staff in the competitive shops, which is primarily the organization of the plants.

Senator MUNDT. Let me rephrase my question.

Mr. MOTSINGER. Let me finish and I think I will get it. But that was not anything unusual for a representative to be assigned to political action inasmuch as there are many representatives all over the UAW who work solely on political action.

Senator MUNDT. If that is true, is that not taking dues-paying money from union members, contrary to the impression I got from your reply to Senator Church's question. If that is true, it would seem to me that that is taking dues-paying members' money, that they have to pay under compulsion, and instead of organizing new plants or bringing new members into the union or getting better wages, better conditions, and so forth, it would seem that that would be outright taxation without representation, as I see it, to use it for political purposes.

Mr. MOTSINGER. I can only state this, as to the interpretations of the international representatives working in political action it would have to be made by someone other than me.

Senator MUNDT. I am not questioning the legality of it. It might not run contrary to the corrupt practices law, but it seems to me there is something unethical in this great Republic of ours, to tell a man that, in order to have a job and earn a living for his family, he has to pay dues, part of which are used, according to your testimony, if I get it right, and I want to be sure I understand it correctly, part of which is to be used to play politics, partisan politics, instead of engaged in helping the workers with their problems. Is that what you were asked to do and wrote a telegram to Mr. Gosser protesting against?

Mr. MOTSINGER. Yes, I sent Gosser a telegram and requested an interview with him.

Senator MUNDT. You say there is nothing unusual about it?

Mr. MOTSINGER. I say there is nothing unusual about the number of representatives on the staff of the UAW and, I might add, any other union that is assigned to political action, because they are all over the UAW—

Senator MUNDT. You are talking now about political action not within the union. That is one thing, to promote the fellow for staying in. You are talking about political action dealing with Governors, Senators, Congressmen, judges, whoever they want to elect.

Mr. MOTSINGER. I don't think anyone ever refers to political action within a union as to be defined as the political action of the officers within that union.

Political action has been replaced by COPE now and is always used in the term of describing the election of officers for all public offices from constable to the President of the United States. That is the term that is implied when you say PAC work in the UAW. The politics of electing Reuther, Mazey, or any officers, is never referred to, as I ever heard in my life, to be associated with the political action arm of the union itself.

Senator MUNDT. In that part, is the election of officers or new officers paid for from the flower fund, to the best of your knowledge, but the other is paid for from dues fund? Your salary came out of the dues paying funds, is that not it?

Mr. MOTSINGER. That is right.

Senator MUNDT. If that is not taxation without representation, it seems to be it will fit the pattern until a new definition comes along.

The CHAIRMAN. Let the Chair inquire. I was hoping we might get through with this witness tonight. Do you have extended further examination?

Senator CURTIS. Well, some more. I will move as rapidly as I can.

The CHAIRMAN. There is the signal for a vote, apparently.

The committee will stand in recess until 9:30 in the morning.

We will resume our hearings in this room then.

(Members of the committee present at the time of recess: Senators McClellan, Church, Ervin, Curtis, Mundt, and Goldwater.)

(Whereupon, at 7:38 p.m., the committee recessed, to reconvene at 9:30 a.m., Friday, August 21, 1959.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

FRIDAY, AUGUST 21, 1959

U.S. SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D.C.

The select committee met at 9:30 a.m., pursuant to Senate Resolution 44, agreed to February 2, 1959, in room 3302, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Karl E. Mundt, Republican, South Dakota; Senator John F. Kennedy, Democrat, Massachusetts; Senator Sam J. Ervin, Jr., Democrat, North Carolina; Senator Frank Church, Democrat, Idaho; Senator Barry Goldwater, Republican, Arizona; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Jerome S. Adlerman, assistant chief counsel; P. Kenneth O'Donnell, assistant counsel; Paul J. Tierney, assistant counsel; Robert E. Manuel, assistant counsel; Walter J. Sheridan, investigator; Carmine S. Bellino, consulting accountant; Susan S. Becker, acting chief clerk.

The CHAIRMAN. The committee will come to order.

(The members of the committee present at reconvening of the session were: Senators McClellan, Curtis, and Mundt.)

The CHAIRMAN. Mr. Motsinger, come forward, please.

TESTIMONY OF JESS F. MOTSINGER—Resumed

The CHAIRMAN. The Chair will announce his intention to recess at 11:30. Let's make all the progress we can.

All right, Senator Curtis.

Senator CURTIS. Mr. Motsinger, we closed your questioning yesterday with matters concerning your payment to a political fund in a checkoff, and also your testimony concerning international representatives who are paid from union dues giving of their time in political matters.

As a unionman, do you regard these practices as appropriate?

Mr. MOTSINGER. No; I do not.

Senator CURTIS. Mr. Motsinger, you were discharged as an international representative; were you not?

Mr. MOTSINGER. I think that is the term they applied.

Senator CURTIS. This was brought to a head following a fight with Mr. White; is that correct?

Mr. MOTSINGER. Yes.

Senator CURTIS. I am not saying that that is the reason, but I say it followed after that; is that correct?

Mr. MOTSINGER. Well, I stated my reasons before on many occasions, and I will restate them again. My dismissal from the staff was a direct result of my attempts to expose what I thought was corruption at the international level, waste of dues money, and such things as that, and my failure to conform to the policies that were handed down by the Reuther administration.

(At this point, Senator Kennedy entered the hearing room.)

Senator CURTIS. What incidents in the waste of money were you referring to? Will you tell about those?

Mr. MOTSINGER. Well, the waste of money is a field that you could just about uncover in those days anywhere, I suppose you still can, because of the representatives, of their assignments, of their failure to take serious the job that they were being paid to do on various drives.

Senator CURTIS. Do you know of any instances where you can justly be critical of the way they handled a drive and spent money for it?

Mr. MOTSINGER. Yes, sir.

Senator CURTIS. What plant are you referring to?

Mr. MOTSINGER. The first drive that I was assigned on in Ohio, the General Industries plant.

Senator CURTIS. What happened there that you objected to?

Mr. MOTSINGER. We were sent in there to organize the General Industries plant, to take it away from another union. I was placed under the supervision of Mr. Russell White.

Senator CURTIS. What happened?

Mr. MOTSINGER. It was explained to me that the first man in these towns on an organizational drive, the procedure of the UAW was that the first man in was the leader of the drive, would be the last to leave, and the last man in would be first man out on these drives. That was the procedure that was explained.

I don't know how long the drive had been opened in Elyria, but they didn't have too many cards signed from in the plant of people wanting to belong to the UAW, they were satisfied with their union in the plant. They didn't have enough cards. It developed very soon after we were there that they were not going to capture that. But it didn't make any difference to the leader of the drive.

I had statements made to me by international representatives who had that as their hometown, who would make statements to me that he did everything he could do to try to get them to call off the drive and wasting the money in that town on this plant. That was discussed with White on several occasions.

I tried to, on my reports, indicate that it was going to be a failure, but I was told by Mr. White to quit sending in any type of report like that to Detroit, and I was warned by Mr. White that that was their business. If they wanted to pay for us to stay over there, it was their business. I shouldn't be saving that, because I might be sent too far from Detroit to go home when we had a chance.

He pointed out to me that I was new on the staff and said, "You can drive home from here, and as long as you are here you can get

home in 5 or 6 hours. You keep telling them what you are telling them, and you will wind up in Colorado where you will never get home." He said, "I want to stay here myself." He was remodeling or rebuilding a cottage that he bought in Michigan.

Senator CURTIS. When you objected to what you felt was a waste of the union money and manpower on an organization drive where another union already existed, you were called down for not making your reports conform to the rest of them?

Mr. MOTSINGER. Yes; that was the first time I was called down in Elyria. I was called down there later, too.

Senator CURTIS. Were you ever directed or called down on the way your reports were written in regard to any other matter?

Mr. MOTSINGER. Yes, sir.

Senator CURTIS. Tell us about that.

Mr. MOTSINGER. Once in Philadelphia we were on the drive of a multiple-plant drive down there, there were several little plants they were trying to get. They had a big one practically captured. I was sent down there. Some of the plants that we were working on, it was evident that we weren't going to get them unless something could be done, and I would put on my report to indicate such, or a note attached to my report. But I would also inform Mr. White, who I had been assigned with, again, after my removal from New York, that I just couldn't stand the idea of having to falsify a report and not let the Detroit office, as far as I was concerned, know the true facts pertaining to any plant that we were out and paid to be organized.

The CHAIRMAN. In what way were you falsifying a report? I did not quite understand you.

Mr. MOTSINGER. I was told to make my reports the same as his and the other representatives'.

The CHAIRMAN. The report on what?

Mr. MOTSINGER. Well, we sent in our sheets every week, of our activities, and those sheets were made to show the number of cards that people—that you had made house calls and had gone out and signed up that week, that it was the pledge to vote for the UAW or come into the UAW.

The CHAIRMAN. What was that, an organizing campaign?

Mr. MOTSINGER. Yes, sir. That was part of your weekly records to send in.

The CHAIRMAN. What I am trying to get at is, what in the world is wrong with it, to go out and try to get people to join? Did they ask you to falsify your report on whether you had seen people to join or not, and the number?

Mr. MOTSINGER. Senator McClellan, I am trying to get to that in this way: that their reports would often show of their duties for the past week had been assigned to, say, Reynolds Metals Co. organizing, and so many cards was signed that week, or turned in—they was signed, not turned in, because they were held in the local office. I knew that the people that were sending in those reports weren't anywhere near that factory at that time.

The CHAIRMAN. What do you mean, just making false reports to their own union as to their work?

Mr. MOTSINGER. That is right. And in addition to that, I was handed plants in that area where a survey had been made by Gosser's

office, to ascertain the number of workers in individual plants around there that needed organizing, that was to be used by Gosser, in preventing any cut in his staff due to the austerity program that was being rumored at the international level.

(At this point Senator Church entered the hearing room.)

The CHAIRMAN. The point is, they were making false reports in order to keep some folks at work that were not needed, is that it?

Mr. MOTSINGER. That is right.

In that particular instance, yes, because the records were given to me of these plants and this prior survey, and the records would show, which were handed me to go collect on some of the plants to see how they were coming along, the records showed the number of 900 or 1,000 workers in a plant that needed organizing, such as Superior Tubing.

The CHAIRMAN. How long ago did that happen?

Mr. MOTSINGER. Five years. Four years. Five years ago.

The CHAIRMAN. The effect of your statement is that 5 years ago they asked you to make false reports to conform to other reports they were making showing that you international representatives were doing more work than you were actually doing. Is that it?

Mr. MOTSINGER. I suppose it could be construed to mean that, but I think the main purpose of it—

The CHAIRMAN. I am trying to get the point of this.

(At this point Senator Ervin entered the hearing room.)

Mr. MOTSINGER. Yes, that is what it amounts to.

The CHAIRMAN. That is what I am getting at. That is the crux of what you are testifying to?

Mr. MOTSINGER. Yes.

The CHAIRMAN. All right. Proceed.

Senator CURTIS. You started to tell about a tubing company. What company did you just refer to?

Mr. MOTSINGER. Superior Tubing Co.

I was given reports that showed that there were 950 or 1,000 employees in that plant and it needed organization. Those surveys had been made prior to my coming to Philadelphia by members of Gosser's staff. When I would go there, I drove directly up to the plant, got out and went up and talked to people, plant guards and all of them.

Incidentally, their reports showed it was unorganized. I find when I get there that there was approximately 600 people and that the plant had been organized and under organization for several years, and that they were perfectly satisfied, happy, and no union attempts, as far as they knew, had even come in.

Senator CURTIS. Were there any other similar incidents?

Mr. MOTSINGER. I was sent over to check the Heckel Body Co. outside of Philadelphia, I believe it is across the line, where they had turned in the number of people there that were potential union members, if we could get them, and it was unorganized. The sheet that I had showed the number of three, four, or five hundred, some enormous figure.

Senator CURTIS. Of employees?

Mr. MOTSINGER. Employees and nonunion.

Senator CURTIS. What did you find out when you got over there?

Mr. MOTSINGER. When I got there, I found out that the maximum number of employees they ever had at this place was 70 or 80 people

and it had been organized for several years by local 7—I couldn't give you the number that far back. It was AFL. When I would go back in and start saying, "Look, these reports and things that are made were apparently made from a bar stool somewhere and not from the geographical locations of the places, and I am so going to indicate to the Detroit office," I was told that I better not.

Senator CURTIS. Who told you that?

Mr. MOTSINGER. Mr. White.

I was also told by Mr. White that I was kind of referred to as a fool—

The CHAIRMAN. Told you what?

Mr. MOTSINGER. I believe you told me to delete swearing—that I was referred to as a damn fool, and that I should know why the reports showed that, that inasmuch as Mazey was trying to cut the organizational staff, and that these reports had been made to support Gosser's contention that there would be no cuts in his staff as long as the UAW was solvent, that the cuts could go on somebody else's staff. I didn't know of those things until I was told that by White.

My position on that incident was the same as it had been since I had been on the staff. "Mr. White, I will make my reports. I keep my nose clean every way in the world. You do as you please."

Then I was told, "Well, your reports had better conform from here on."

So I said, "Well, I think I shall call the Detroit office."

He told me it wouldn't do me any good.

The CHAIRMAN. Were you fired on that account?

Mr. MOTSINGER. Sir, the way you are putting it, was I fired right there, then, immediately?

The CHAIRMAN. No; I didn't say right there, then. But were you fired on that account?

What I am trying to get to—we are going to kill a lot of time getting down to one little point somewhere. Can't we get down to it?

Mr. MOTSINGER. I was fired for having a fight with Russell White, just him and I in a room. I was fired for having a fight with Russell White because of the job that he had did on me in Detroit, and of the argument between the two of us. I wasn't fired there. I was sent a telegram by a man in this room to return to Detroit for an assignment, a reassignment, on the staff, and ordered to fly in.

When I came to Detroit, I was forewarned in the lobby that their hatchetmen had "done a job on you this time, Motsinger; you got to go." The telegram had been sent to me that I was to come in for reassignment and was to fly in. I can't fly, because I am a victim of angina pectoris, a heart disease.

Senator CURTIS. Who was that man?

Mr. MOTSINGER. That man was Joseph Mooney, administrative assistant to Richard Gosser, one of the many.

Senator MUNDT. Will the Senator yield?

I would like to reconstruct and see if I understand the burden of your testimony. You correct me if I am wrong. I want to get this straight.

In answer to the chairman's question of what is wrong with all this, if I understand it I think that there is something wrong, and I may be inaccurate in my understanding. But, as I reconstruct what you have

been saying in the last half hour, you were known as a dissenter or a lone wolf, or something, as far as being an international representative was concerned, because you started out by protesting the political activity you had been asked to engage in up in New York, and then you protested the fact that you were asked to make fictitious reports, or that you confirm fictitious reports made by someone else.

Then you objected to anybody suggesting to you that you pad your expense accounts, "You keep your expense accounts and I will keep mine."

Are those the three sources of irritation that you have mentioned so far which led up to what I understand ultimately was a fight with Mr. White?

Mr. MOTSINGER. Well, that was the incident that provoked the fight down there; yes. But I would like to go further. Maybe you will understand this—

Senator MUNDT. I want to find out now, in answer to the chairman's question, what was wrong. I think you have to look at this whole framework of activity in the area of compulsory unionism.

I would say that if you were working in an area in the union where membership is purely voluntary, and nothing particularly wrong for an Odd Fellows group or somebody to hire a lot of extra people and load up the staff, because the members pay it, and they can join a lodge or keep out, but if this is a situation where a man has to belong to a union to earn a living for his family, that is something quite different. I think you have to look at the ethics and morality of this in terms of the framework of the union shop and closed shop, where a man has to belong to the union.

(At this point Senator Goldwater entered the hearing room.)

Senator MUNDT. To me it would be very obviously wrong if, under a compulsory situation, an international representative could pad his staff by having a lot of extra payrollers around to engage in political activity under the guise that they were doing jobs for the union men, and then in order to justify that ask them to make a lot of fictitious reports so that he could have 120 men instead of 50 men, or so that he could have 250 men instead of 150 men. That would be wrong because it would be misuse, and a clearcut misuse, of the dues of the union members, as in my opinion it is a clear-cut misuse of dues of union members in a compulsory union setup to employ a lot of people to go out and engage in the election of a judge or an attorney general, or a Governor, or any other candidate for office, because that is not the reason why they are presumably forced to pay dues to belong to a union.

Is it your testimony that this is what was happening, and that is what you were objecting to, or do I misunderstand your testimony?

Mr. MOTSINGER. It is hard to say yes or no to a statement as lengthy as yours is there, because I can't remember as I go along what all you said. But I think you hit the nail on the head there in what I am trying to say.

Senator MUNDT. If I missed the nail any place along the line, you correct me. I am trying to get straightened out at one place in the record, so that we know whether this is an improper activity which you are alleging. Perhaps it will be brought out in other testimony.

Mr. MOTSINGER. Definitely that is an improper activity of what I think should be the activities of international representatives on the staff.

Senator MUNDT. As an international representative, you were protesting against it?

Mr. MOTSINGER. That is right.

Senator MUNDT. That got you in bad with your superiors and associates, one of whom was White?

Mr. MOTSINGER. That is right, White.

Senator MUNDT. The irritation was definitely opened and got more vigorous and finally you wound up, as I understand it, in a fist fight between you and White?

Mr. MOTSINGER. That is right.

Senator MUNDT. Out of that came the charges against you in the international union for dismissal?

Mr. MOTSINGER. That was just a simple formality.

As I said, there was a lot of activity in the office that day, and the representatives in the Philadelphia area who knew me come to me and shook my hand and told me that they didn't see how I had tolerated it as long as I had. I had had the office girls prior to that ask me why did I have to take the abuse that I was taking from the international and Mr. White. I had told them that Kaiser-Frazer Corp. had gone out of business, that I was 45 years old, I had no job and no plant to go back to, such as all of the representatives on the staff had, and that I was forced.

These representatives tried to advise me of what to do. I wanted to go immediately and call Detroit, right immediately after the fight, and tell them what it was all about. Maybe I listened to bad advice, but they told me, they said, "No, let him do it." But as a result, I was brought back to Detroit.

Senator MUNDT. I think while I was listening to things that you objected to, partisan politics and the padding of the payrolls, the changing of the expense accounts, you also objected inwardly, you said, to the contributions you had to make to the flower fund. You objected to that?

Mr. MOTSINGER. Yes, sir.

Senator MUNDT. We had some discussions yesterday, and I want the record to show, Mr. Motsinger, my own attitude toward the flower fund.

As long as it is voluntary, purely voluntary, I see nothing improper about it. But if we are going to establish acceptance in this great United States of ours of the concept that a man who has a job and who appoints another man to a job has a right to surtax the other fellow to support him in his office, I think it is wrong. I think it is exactly the kind of thing that I can remember at least a couple of my old colleagues in the House of Representatives have gone to the Federal penitentiary for. They said to the staff members, "You ought to kind of kick in to the campaign expenses of the boss. We are all on the same team." So they got elected together. I think that thing is pretty reprehensible, to tell a fellow with a secondary job, "You have to kick in to the top job to go along with the team," if it is compulsory. If the flower fund is compulsory, I think it is

reprehensible. If it is voluntary, purely voluntary, there is nothing wrong with it in associations or any other political activity.

You protested, as I understand it, then, Mr. Motsinger, the fact that, in your opinion, there was coercion and duress on the flower fund and it was not purely voluntary. Am I correct in that?

Mr. MOTSINGER. I believe my statement yesterday is very clear on that, that I did not protest to my superiors.

Senator MUNDT. I know that. You protested in your mind, you resented it.

Mr. MOTSINGER. I definitely did, and if all the people on the UAW staff who protested to me were in this room, you would get some statements that would make mine look puny by comparison, as to the size of their donations and objections.

Senator MUNDT. In other words, you think it was objected to by other people who contributed to the flower fund besides yourself?

Mr. MOTSINGER. Yes, sir. I don't think you will have to leave the room to find that type of testimony of people.

The CHAIRMAN. Point him out? Who will testify to that?

Mr. MOTSINGER. The witnesses who will probably succeed me on the stand, under subpoena.

Senator KENNEDY. It seems to me there is a difference between the Congressman getting a kickback from employees and the example we have here. If you accept all the facts as you stated them, which I would not accept—in my opinion it is not the way I would determine his testimony—assuming that is so, you are still not talking about Federal funds and a breach of the law.

So far, I have not heard it in Mr. Motsinger's case, first, because he did not protest, and secondly, because he was free to leave his job, and it did not involve in any way Federal funds. I am not aware of anything that could result in a Federal penitentiary in that case or any breach of the law.

Perhaps you can explain that, Senator.

Senator MUNDT. I would be happy to.

Let me say first of all I did not contend it was a breach of the law. I said I thought it was a highly un-American concept, that anybody who has a little control over another fellow's job, that he can threaten he will deprive him of his livelihood, and say, "Look, chum, you have to kick in on my bank account or flower fund to hold that job."

Senator KENNEDY. There was no threat. He stated he did not protest.

Senator MUNDT. If you protest, you would lose your job.

I think he stated, and he can correct me if I am wrong, that he was under the impression that if he had protested he would not long remain an international representative.

Am I right about that or wrong?

Mr. MOTSINGER. Yes. I have men that—I will bring out in testimony here—would have told me—well, I will put it this way: I was warned by many representatives that I would be leaving the staff if I maintained my line of resistance to the demands, both written and unwritten, from Solidarity House, that I would be leaving the staff.

Senator MUNDT. May I say to the Senator from Massachusetts that I am not contending this is against the law. I am contending that it is highly improper. I am contending that except that the law relates

to Federal money, and, consequently, a couple of Congressmen go to jail for doing this thing, that in principle and concept it is identical, because it is a kickback to your boss to help your boss stay in office, reduced to the simplest terms, and I would like to know if the Senator from Massachusetts thinks that is good American practice or not.

Senator KENNEDY You just stated the word "demands." Were you ever told by Mr. Gosser, Mr. Mazey or anyone else in the UAW that if you did not contribute to the flower fund you would lose your job? Were you ever told that?

Mr. MOTSINGER. No, but I believe the record will show that I was told by Mr. Madrzykowski—

Senator MUNDT. Who is he?

Mr. MOTSINGER. One of Mr. Gosser's numerous administrative assistants.

I believe the record will show that I told you in my indoctrination lecture or speech upon coming on to his staff that I was never to be reminded again about payment of the flower fund.

Senator KENNEDY. Did you protest it at that time when you were given this job, which you state was one of the most desirable in the UAW?

Did you state at that time to this gentleman that you did not want to take the job under those conditions?

Mr. MOTSINGER. Mr. Kennedy, I did not say that, and I am asking you, since you are asking me that type of a question, if you were a man going on the international staff to a job, and knew what that was for, would you have protested it?

Senator KENNEDY. I will be glad to answer your question.

If I received a job that was one, as you state, of the best jobs you could get, at a substantial increase in pay—

Mr. MOTSINGER. I didn't say a substantial increase in pay. You said that.

Senator KENNEDY. May I finish?

You stated it was one of the best jobs in the UAW?

Mr. MOTSINGER. Most coveted.

Senator KENNEDY. Well, let me answer your question.

One of the most coveted jobs in the UAW, and if you were told during your indoctrination that all international representatives contributed to the flower fund and were explained the use to which the flower fund was put, I would then say, "I would not take the job under those conditions," or if I took the job, would not expect to get a free ride on it. Once the conditions were explained to me clearly at the beginning and I accepted the job, I made that decision. You did not have to take that job under those conditions.

The point I am making, I will say to Senator Mundt, is that the gentleman was informed about it when he took the job, that it was a voluntary action on his part, that the job represented a substantial increase in salary and stature.

Why he was discharged is a separate matter. It involved a fight with Mr. White. In his whole testimony before the UAW at the time he was discharged, and that record was all here, this matter of the flower fund or your contribution to the PAC never did come up. What came up is whether you were going to be sent to Allentown, or whether the first in was the last out, or whether you had punched

Mr. White. This is another matter involving your relations with Mr. White, whom I do not know. But I do not want the two to be linked.

Senator MUNDT. You answered Mr. Motsinger's question, but you did not answer mine.

I say do you consider this to be a proper practice, putting your own definition on the terms under which Mr. Motsinger agreed to get the job? Do you consider that a proper practice?

I do not.

Senator ERVIN. Mr. Chairman, I want to ask the witness one question.

The CHAIRMAN. Wait a moment.

Senator MUNDT. I am in the middle of asking a question. What happened to it?

Senator KENNEDY. I would be delighted to give you my view. I have already stated the case, that Mr. Motsinger was given this job under the conditions that he described it. It seems to me that he was given this job, and I do not see anything wrong with the UAW asking him to contribute to a political fund which would be used by the leadership group in the UAW.

What I would consider wrong would be if the members, the working people in the plant, who were not given these kinds of jobs, were required to contribute as a condition of maintaining their union membership dues to the flower fund. I would consider that highly wrong and improper, No. 1.

No. 2, I would consider it—I would certainly consider the grounds of impropriety if Mr. Motsinger could give us any evidence that he ever protested this fund, and if when he did protest it he was threatened with discharge.

In a case like that, I would then consider the question of impropriety was raised.

But if a man was given an excellent job and is told at the time that he will be asked to contribute voluntarily—quote, unquote; if you want to put it in quotes, fine—and he then takes it, it seems to me that he has then committed himself to a course of action.

I have answered the Senator's question. I have given the answer that I am going to give to the Senator. If he wants to address another question, he can ask another question; but I have given the answer I am going to give to that question.

Mr. MOTSINGER. Mr. Chairman?

The CHAIRMAN. Just one moment.

Senator Curtis was examining the witness. I assume he yielded to Senator Mundt, and from that this ensued, as I recall it.

Gentlemen, if we are going to have this, I suggest that you ask the Senator who has the floor to yield. If he yields, then we will keep this in some order.

Senator MUNDT. I think, Mr. Chairman, I did ask Senator Curtis to yield.

The CHAIRMAN. I think he yielded to you.

Now who wants to be recognized?

Senator Curtis, have you any further questions?

Senator CURTIS. Yes, Mr. Chairman. I do not want to cut my colleagues off. I realize there is a time element.

The CHAIRMAN. Some of your colleagues over here want to ask a question. Do you yield?

Senator CURTIS. Yes.

The CHAIRMAN. We will keep it that way and move along a little better.

Senator ERVIN. Mr. Motsinger, are you still a member of the UAW?

Mr. MOTSINGER. I was when I left home.

Senator ERVIN. When was that?

Mr. MOTSINGER. Last week.

Senator ERVIN. You have not received any notice to the contrary since you came?

Mr. MOTSINGER. They don't know where I am. But I haven't. I will answer that that way.

Senator ERVIN. Are you now the president of your local?

Mr. MOTSINGER. I am not active in any part of the UAW in any capacity.

Senator ERVIN. Were you elected president of your local after you ceased to act as an international representative?

Mr. MOTSINGER. No, sir. My local, as I told you, was out of existence when I came off the staff.

Senator ERVIN. That is all.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. In reference to these practices that you disagreed with, and these organizing efforts, were there promises made to workers in plants where organizational activity was going on or in connection with it that you disagreed with?

Mr. MOTSINGER. Yes, sir. But may I say something to the Chair?

I am not familiar with these types of proceedings, and if I am wrong, you straighten me out. But on passing over or skipping from one phase of this to another, I would like to point out that in support of my testimony here pertaining to this flower fund, since it is becoming an issue, that my testimony of what happens to people who refuse to pay the flower fund will be brought out here, if I am given the opportunity in Cleveland, Ohio. I will bring out what happens to one individual I know who got behind with his flower fund.

(At this point Senator Mundt withdrew from the hearing room.)

The CHAIRMAN. I do not think the Chair has restrained you from answering any questions or making any comments.

Mr. MOTSINGER. That is true.

The CHAIRMAN. I am trying just to keep orderly procedure here, and I think I am going to be able to do that. Any comment you wish to make at this point, you can make, and then we will go on.

As to what you are going to present to the committee, I do not understand that you are the prosecuting witness. Are you? Are you taking that attitude?

Mr. MOTSINGER. No.

The CHAIRMAN. Senator Curtis is the one who is presenting this to the committee. Let's keep it in proper perspective.

Mr. MOTSINGER. The only thing I meant was my testimony as to what would happen to the man who refuses to pay the flower fund.

Certainly, in supporting my own statement, I would want evidence of what I have seen happen to people who didn't pay it.

The CHAIRMAN. What you want and what you do not want is not necessarily going to determine what this committee does. You testify. You are here as a witness. Senator Curtis is being accorded the opportunity to present to this committee testimony that he says will sustain charges or develop charges of improper practices against the UAW and certain of its officials. That is what we are here for.

Proceed, Senator Curtis.

Senator CURTIS. Do you know of a case where someone refused to pay the flower fund?

Mr. MOTSINGER. Yes, sir.

Senator CURTIS. What was the man's name?

Mr. MOTSINGER. The man's name was Dewey McGhee.

Senator CURTIS. Where did it happen? What city?

Mr. MOTSINGER. That man was assigned on the staff under Gosser's department. He was in and out of the drive in Elyria, Ohio, on numerous occasions. I believe he worked out of the Cleveland office, as his headquarters. I had known him only by seeing him in the Detroit offices.

In the subregional office in Cleveland, which was headed by Mr. Wesley Schultz, who came to Canton periodically to see me, he called me once and told me to drive over to Cleveland tomorrow, which was a Saturday.

Senator CURTIS. What year was this?

(At this point Senator Mundt returned to the hearing room.)

Mr. MOTSINGER. Well, it had to be 1953 or 1954, but I am reasonably sure it is 1954.

Senator CURTIS. All right. What happened?

Mr. MOTSINGER. He told me that—

Senator CURTIS. Who told you?

Mr. MOTSINGER. Mr. Schultz told me that Gosser's office was coming over to work over Dewey McGhee for his failure to pay the flower fund, and that he was way out of line on it, and that Madrzykowski was coming over, and that they were having Mr. McGhee in the office on Saturday, which was never open otherwise. But he told me that they had to give McGhee a talking-to.

Well, I knew McGhee only by—just as I said, I saw him in the Detroit offices, and he had been in and out of the drive in Elyria. But, nevertheless, I did not see no point in me particularly being there, but I went on Saturday to the office. Mr. McGhee was there, Mr. Schultz. I don't recall whether Mr. Madrzykowski was there when I arrived or whether he came later. I believe he came later, because as I recall, we sat around for a while.

He told Mr. McGhee, "Well, let's go. We can use the other office or the back office." They went to the basement. Schultz told me that McGhee was way out of line, that Walter was going to tell him exactly what he had to do pertaining to the flower fund, and that was going to be it.

Senator CURTIS. What did happen?

Mr. MOTSINGER. The man came back after a half hour or so down with Madryzkowski.

Senator CURTIS. Where did they go?

Mr. MOTSINGER. Down in the basement of the office.

Senator CURTIS. He was a colored man?

Mr. MOTSINGER. Yes, sir.

Senator CURTIS. What did you observe when they came back?

Mr. MOTSINGER. Well, there was no doubt in anybody's mind, I don't think, but what could tell by looking at the man that his spirits weren't very high. Apparently he had been subjected to, I would say, a good reprimanding or talking to.

Senator CURTIS. Because he did not pay the flower fund?

Mr. MOTSINGER. I am only telling you what Mr. Schultz told me.

Senator CURTIS. I understand.

Now we must hurry along. I will come back to my question before the interruption.

Were there any promises made to workers in these plants where there was organization activity going on, which you did not approve?

Mr. MOTSINGER. Yes, sir.

Senator CURTIS. What was the nature of those promises?

Mr. MOTSINGER. Well, in the General Industries plant, when we went into that in Elyria, the information developed immediately, a couple of weeks after I was there, of some women in that town who had lost their jobs in a plant as a result of attempting to get the UAW—I am sure it was the UAW—into that plant some years prior to that, and that they had lost their jobs and they had quite a bit of seniority.

Mr. White and I contacted those people—I think they contacted us, one of the women did, I know, because we were in her home. She told us what had happened.

Senator CURTIS. Briefly, what did happen? What had they been told in connection with an organizational drive that lost their livelihood?

Mr. MOTSINGER. Those people I am referring to there when I went into town had been fired in the past. I couldn't tell you what they had been told.

Now, then, we were on a new drive in the same plant, and the people there were being told or had been told by White in the organizational drive if they would support us and don't worry about it, we will take care of you. The question had come up about: "You know what they will do. They will fire everybody here." That was, naturally, a violation of the NLRB. That was pointed out to them and said, "Don't worry about it."

They said, "Yes, that is easy to say, but what will we live on?"

White would tell them, "Don't worry about that. The UAW will take care of that. We will fight the case all the way through. We will get you jobs. Don't worry about it. Besides, they cannot fire you. They can't do it. You are going to be classified as voluntary organizers and they can't do it."

Well, these people listened to him. As a result, in 1953, a number of those people were fired outright, called in the office—I think I would be safe in saying that they were fired illegally by the rules of the Government, the NLRB, but, nevertheless, they were fired.

Senator CURTIS. Now, coming to this point, were the promises made to them of help if they did lose their jobs carried through?

Mr. MOTSINGER. No. The last that I saw was letters in Philadelphia some months later of people who were losing their homes and still begging for support from the international to do something about it.

But as far as the statements that were made, a petition was filed with the NLRB in behalf of them, that the company was violating the fair labor practices by doing this, and these people were all gathered in our office every day, waiting for a report of something.

As time went on, they began to tell me, "What about all these promises of you people?"

I said, "Just a minute. This man never made you no promise at the time," because I had objected to White. White informed me, "Look, you have heard Dick Gosser say at school, at camp, I am sure, that your job is to organize the people and what you tell them or what you have to do is to organize them and that is it."

"Now," he says, "that is exactly what we do."

I said, "White, I would use every method at my command to try to organize the people, but I will never promise a man that his livelihood will be restored or taken care of for him if I couldn't deliver, myself. I wouldn't do that."

On occasion of taking these people to Cleveland, they were losing their cars. I was assigned a task of taking one of them in to Cleveland to try to find employment for him through the regional office, inasmuch as the finance company was trying to take the young fellow's car away from him. On the way, he told me about all these promises that White had made him.

When I came back to the office, I approached White on this. I said, "You have told these people what you were going to do. Hereafter this taking them to places, to factories, to try to find them jobs, you take care of it. You are the one who told them you would feed them." And I said, "Don't push this off onto me because I didn't never tell anybody anything."

Senator CURTIS. I think we have covered that, have taken all the time we can on that.

Senator KENNEDY. Could I ask a brief question before we leave that?

Senator CURTIS. Yes.

Senator KENNEDY. Going back to where you told us that Schultz told him that Madrzykowski was coming over to work on McGhee—

Mr. MOTSINGER. Schultz told me.

Senator KENNEDY. Then Madrzykowski came over?

Mr. MOTSINGER. Yes.

Senator KENNEDY. Went in the cellar with McGhee?

Mr. MOTSINGER. Yes.

Senator KENNEDY. McGhee came up looking low in spirits?

Mr. MOTSINGER. Yes.

Senator KENNEDY. Why was he low in spirits?

Mr. MOTSINGER. Mr. Kennedy, I didn't ask Mr. McGhee what transpired in the basement. I can only tell you what Mr. Madrzykowski said he was called over for and what I was called over for, 70 miles, paid by the international.

Senator KENNEDY. Did Madrzykowski tell you what he was called over for?

Mr. MOTSINGER. No.

Senator KENNEDY. What is the significance of going down in the cellar and Mr. McGhee coming up low in spirits?

Mr. MOTSINGER. What is the significance of it?

Senator KENNEDY. Yes.

Mr. MOTSINGER. Doesn't it speak for itself?

Senator KENNEDY. No, it doesn't. That is why I want you to speak forth.

Mr. MOTSINGER. I can only tell you my impression of what it meant.

Senator KENNEDY. How did you gain your impression? Did anybody tell you or were you just deducting it?

Mr. MOTSINGER. I don't know if I can paint a picture of it. I was told to come to Cleveland by the coordinator of a drive, that a man was going to be worked over for failure to pay his flower fund. I went over and that man came and he was taken to the basement and come back and looked awful bad. That is as clear as I can paint it.

Senator KENNEDY. Did he have physical bruises on him?

Mr. MOTSINGER. No. I don't think there would have been any on this man because—

Senator KENNEDY. Do you have information that there was violence used on him?

Mr. MOTSINGER. No, sir. I am not suggesting that there is any violence used on him.

Senator KENNEDY. Do you know if Mr. McGhee was ever dropped from the UAW?

Mr. MOTSINGER. I have never—well, I wouldn't say that I have ever seen Mr. McGhee since that time, because it is possible that I did. I will put it this way: I haven't seen Mr. McGhee since I left the international staff.

Senator KENNEDY. Was Mr. McGhee dropped from the UAW for failure to pay dues?

Mr. MOTSINGER. As far as I know, Mr. McGhee is on the staff today. I don't know that he is off the staff. I have heard that he was, but I don't know that. I don't know.

Senator KENNEDY. In other words, you have not been informed that Mr. McGhee was dropped from the UAW for failure to pay dues?

Mr. MOTSINGER. No, sir.

Senator KENNEDY. This is the first time you have heard this?

Mr. MOTSINGER. That is right.

Senator KENNEDY. Mr. Madrzykowski did not inform you why he had come over to Cleveland but Mr. Schultz did; is that correct?

Mr. MOTSINGER. That is correct.

Senator KENNEDY. Is Mr. Schultz one of the witnesses?

Senator CURTIS. No, he is not.

Senator KENNEDY. Is Mr. Schultz going to be called?

Mr. RAUH. Mr. Schultz was here—no, that is a different Schultz.

Mr. MOTSINGER. This is Wesley Schultz of Cleveland. The Schultz they are referring to is—

Senator KENNEDY. I think we ought to have Mr. Schultz. I would like to get the facts on Mr. Schultz's testimony about coming over to work over. Those words have a definite implication, the implication being violence.

This witness has stated he knows nothing about that. He states they went down to the cellar and came up low in spirits.

I would like to find out, seeing it has been introduced and the implication being quite obvious, I think we ought to find out, first from Mr. Madrzykowski and then Mr. Schultz, as to what did transpire, whether the disagreement was over union dues—it is my understand-

ing that he has been discharged for failure to pay dues—or whether the dispute was over the flower fund, and, secondly, what transpired in the cellar.

Mr. RAUH. Mr. Mooney was here. He knows that Mr. McGhee was discharged for this. He is available if you would like to call him.

The CHAIRMAN. Just a moment.

Mr. Rauh, we will try to handle this from up here. I might say that a witness is here who can testify, who can give us that information.

What is your name?

Mr. MOONEY. Joe Mooney, administrative assistant to Mr. Gosser.

The CHAIRMAN. All right. Be seated. We may call you.

Proceed.

I would like to get through with this witness first.

Can you give us some idea, Senator Curtis, about how long you will be?

Senator CURTIS. I thought I would be finished long ago. I am not critical, but there have been other matters not entirely under my control.

The CHAIRMAN. All right.

Senator CURTIS. Mr. Motsinger, you mentioned this man White. What was his first name?

Mr. MOTSINGER. Russell White.

Senator CURTIS. Your job as international representative was terminated. What happened to Mr. White?

Mr. MOTSINGER. Well, Mr. White was maintained on the staff, for how long I don't know—this was in 1955, 4 years ago, when we went off. But later he was placed back in his local as president of the local, or put back in the local and ran for president, of which he had been president in prior years, four or five—five terms, I believe, five or six. And from there he was elevated by Soapy Williams to commissioner of labor to the State of Michigan.

Senator CURTIS. This White was appointed commissioner of labor for the State of Michigan?

Mr. MOTSINGER. Yes, sir.

Senator CURTIS. Was he confirmed?

Mr. MOTSINGER. No, sir. He served 3 months and was rejected.

Senator CURTIS. Why was he not confirmed?

Mr. MOTSINGER. Well, I couldn't answer that except that the senate committee refused confirmation. I can only say that the senate committee of the State of Michigan discussed the man with me.

Senator CURTIS. He was offered as commissioner of labor, as president of a local union?

Mr. MOTSINGER. Yes. At the time he was appointed to the staff, publicity was given the fact that he was the president of a Lansing, Mich., union, and they had deleted the fact publicly at the time that he had been on the Reuther and Gosser staff as an international representative all over the country for the past 3, 4, or 5 years, I am not certain how long.

Senator CURTIS. It was your understanding, then, that he was presented for this position as a president of a local, but the information was not given of his years of experience as an international representative. That is correct, is it?

Mr. MOTSINGER. That is correct, I think, sir.

Senator CURTIS. Was that at least one of the main points in your understanding that caused the Senate committee to fail to confirm him?

Mr. MOTSINGER. Well, it developed into quite a political battle in Michigan inasmuch as they had to dismiss the man who had that job and had held it for a period of 15 or 20 years, had to just outright say he was too old or something to that effect, to move him out.

Senator CURTIS. My question is this, Mr. Motsinger: Is it your understanding that the failure to disclose his years of experience as an international representative was a factor in causing his rejection by the Senate committee?

Mr. MOTSINGER. I don't know that.

Senator CURTIS. All right.

Mr. Motsinger, were you ever asked to make collections of money to buy gifts, boats, or anything else for Mr. Gosser?

Mr. MOTSINGER. No; I was never asked to make a collection or anything.

Senator CURTIS. Did you make any?

Mr. MOTSINGER. I made contributions, but I have never been asked to make them.

Senator CURTIS. You made contributions? What were they?

Mr. MOTSINGER. Well, it would be at the Sand Lake Summer Camp that is in Sand Lake, Mich., where the Gosser staff meets for the various types of training courses yearly.

Senator CURTIS. And you would be asked to contribute to that?

Mr. MOTSINGER. Well, not just me. That was everyone there that would be asked for a donation of \$3 or \$4 for a boat or something like that. I recall once that it was a boat because I think they had the boat brought in and set up in front. It probably cost three or four hundred dollars, something like that.

The CHAIRMAN. Kind of a good will present or something, an appreciation present to your boss? That is what it was?

Mr. MOTSINGER. Possibly.

The CHAIRMAN. I have had my office staff give me a present as good will, a token of appreciation. Is that all you are talking about? Or is there something sinister about it?

Mr. MOTSINGER. No; I don't think so.

The CHAIRMAN. All right; proceed.

Senator CURTIS. Mr. Chairman, that is all I have. My counsel, Mr. Manuel, has a question or two.

Senator CHURCH. Mr. Chairman, I want to make an observation, now that this witness' testimony is completed. I have been on this committee for 2 years, and in the course of these 2 years I have heard many cases brought before the committee involving violence and embezzlement, extortion and blackmail, and nobody ever had to ask what was wrong or what the impropriety might be. This is the first time that I have had the experience of listening to testimony for 2 days and then having to have members of the committee explain in lengthy presentations just what the impropriety is that the testimony of the witness apparently bears out.

The burden of this witness's testimony essentially is this, as I see it: That he acquired what he himself describes as a coveted position on the international staff of the UAW; that if not expressly then im-

pliedly understood it to be a part of the condition of his employment that he was to volunteer \$5 a week from his wages for a campaign fund that would be used by the international staff of the UAW.

Secondly, that he was to volunteer \$2 a week for the political action committee, which represented the fund from which the union drew for supporting candidates they favored for political office.

The third thing that he says he had to do was that on one occasion in New York he had to drive in a sound truck in connection with a New York campaign.

Mr. MOTSINGER. Mr. Chairman?

Senator CHURCH. Just a moment.

I have listened to the testimony for 2 days and that is essentially the burden of that testimony, as I see it.

If this constitutes an improper practice within the purview of the kind of thing that this Rackets Committee has been exploring, then I must say that it is a very common one. We are all grown up. We all know how politics work in this country, and the things that have been testified to in the last couple of days are things that are commonly known not only to union organizations but to many business organizations, they are practices that we all know about in connection with political campaigns all the time, and they are practices that are not a bit uncommon to our political parties and to the Senators who run for office.

I just don't think that it dignifies this committee to pretend otherwise.

I think that if we are going to be discriminating, we have to differentiate between the kind of testimony we have heard in the last 2 days, and the kind of testimony that has typified the cases that have been brought before this committee.

Senator KENNEDY. Will the Senator yield?

Senator CHURCH. I yield.

Senator KENNEDY. I think the point of the matter is that the reason this story is a story on a page of a newspaper or a radio is because of whatever prestige, stature, and good will this committee was able to develop in the last 2½ years, and because this committee has devoted its attention to genuine hoodlums and racketeers, and real examples of extortion and embezzlement.

Therefore, when this committee brings a witness before it, the presumption by those who make up newspapers and those who read them is that there is something really sinister and wrong, or otherwise the attention of the McClellan committee, day after day, would not be engaged in this matter.

This is not a common hearing, and I think it is only an opportunity by Senator Curtis, which this committee is giving him, to make a case.

Therefore, I would hope that anyone who reports this story or who reads this story will recognize that this is an unusual case, that there is no presumption of wrongdoing on the part of the committee, but is merely an opportunity given to one Senator to present what he feels may be an impropriety, a view which may not be shared, and so far is not shared, by all members of the committee.

Thank you, Senator.

Senator GOLDWATER. Mr. Chairman?

The CHAIRMAN. Senator Goldwater.

Senator GOLDWATER. I have to disagree with my friend from Idaho and my friend from Massachusetts.

We are adults. We say we know these things go on, in our political lives, the political lives of corporations, businesses, and unions. If it is voluntary, I don't think we can have any argument about it. If it is compulsory, I think the American people will abhor it.

I recall many times in my youth hearing campaigns in my city against this type of thing. I think in the State of Massachusetts at many, many different times in history, people have risen up against this very type of thing.

I think that it is proper for this committee to look into this, as long as it is a question of whether or not it is voluntary or compulsion. If it is voluntary, purely voluntary, then I don't think we can find any fault with it. If it is compulsory, I don't think the American people would like it. I can't go along with people in politics who say that they can accept this type of thing in their moral code as they approach politics. I don't like it myself.

Nobody in my employ has ever been required to give me a dime to keep their job. I am not inferring that either of my friends on the other side of the aisle require it. But I will say that I don't like compulsion. My whole argument with Mr. Reuther down through the years has been one based on the use of compulsory dues money for purposes other than they were taken for. I don't like that compulsion when it is used in corporations or when it is used in politics. I think men in this country have the free right to spend their money as they see fit, except in the event of taxation, over which they have, unfortunately, too little control.

So the question in my mind that I think we should be trying to determine here is: Are these men required to do this by compulsion or do they do it in a voluntary way?

Senator CURTIS. Mr. Chairman?

Mr. MOTSINGER. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. Mr. Manuel has a couple of questions.

The CHAIRMAN. Before Mr. Manuel proceeds, the Chair wants to make this observation: We are going to keep this record straight. We undertook to hold executive hearings so that Senator Curtis could present information he had for the committee's consideration and determination of whether it warranted public hearings. Senator Curtis had information that he was unwilling to give to the committee in any way other than in executive session, and therefore the committee was unable and did not undertake to pass judgment upon the merits of whether whatever information he had and whatever testimony he could produce from witnesses who warrant a public hearing.

So we started, as a courtesy to Senator Curtis, to give him an opportunity to present to the committee information he thought would show improprieties and that might warrant a public hearing. We tried it that way, having in mind it might take a couple or 3 days to get that information before the committee. That was an unusual procedure. Heretofore, information given or information received was given to the staff and they made an investigation, reported back, and public hearings were ordered.

In the course of trying to hold public hearings to determine this, there was a demand or a request that the committee proceed into public hearings without further examination of the issues.

First I opposed that because I thought we ought to proceed as originally planned. While the procedure was a little unusual, I felt that we should not deny to a member of the committee an opportunity to present to the committee in executive session information that he claimed to have. But the result was that it took such a turn of events that finally the committee voted unanimously to move into public hearings.

This is a presentation by one member of the committee to the committee primarily, and now to the public as a whole, of what he thinks may be an impropriety. Surely he thinks that or he wouldn't want to take up the time of the committee with it. It is being presented in that light, and it is now out in the public. The committee staff as a whole, and the other members of the committee, are simply here listening, as you are, to what Senator Curtis wants to present that he contends may be an impropriety or a matter that the committee should pass judgement on.

Have I stated it correctly?

Senator MUNDT. Mr. Chairman?

The CHAIRMAN. Senator Mundt.

Senator MUNDT. May I say as vice chairman of the committee—

The CHAIRMAN. Have I stated it correctly up to here?

Senator MUNDT. Do I have the floor?

The CHAIRMAN. Yes. I am asking you a question. If I haven't, you correct it.

Senator MUNDT. Mr. Chairman, may I say as vice chairman of the committee, the Chair is unduly alarmed. I was about to say that I subscribe to every single word that the chairman has just said. He has put the picture precisely, accurately, and correctly, and I am sure has cast these hearings in exactly the proper framework with the proper coloration.

However, may I add that since it has become a practice of some of my colleagues on the committee to engage in some new kind of committee routine of giving a running verdict one witness at a time as to where this hearing is leading, I am going to have my say on this running verdict at this time, just as they have had theirs.

I think it is unfortunate that we, at the conclusion of the first public witness, began to assume that this is the hearing, and try to have a verdict of any kind at this stage.

But I am not going to remain silent while two of my beloved colleagues have issued their verdicts, lest it be concluded that the jury has unanimously decided before the evidence has come in on the verdict of the committee.

No. 1, I happen to believe that the compulsory contribution to the flower funds is as reprehensible, if it takes place in a union, as though it took place in a congressional office. I don't believe that in this great, free country of ours anybody who happens to have a good, prominent, well-paying position has any right to say to another associate who works for lesser money and with lesser prominence that "In order to hold your job, you have to contribute to a fund to help me to hold my job." I don't think that is good practice. It is a practice which I deplore, whether it is legal or illegal. I don't think it is ethical.

There I disagree with my good friend from Massachusetts who says he doesn't see that this is of any great concern, since the witness testified he did it with his eyes open.

You do lots of things with your eyes open, may I say to my good friend, if you are looking for a job, if you don't happen to have a good bank account, if you don't happen to have any other source of revenue, and you want to get ahead in the world, and the fellow on top says, "All right, I will help you get ahead provided you kick into my fund."

I would like to see that eliminated across the board in America, including labor unions, even though it may not be against the law.

The second thing, I think is against the law, and on this I learned something new as a member of this committee. Senator Church says this goes on all the time; it is a common practice. If it is, maybe, it is like spitting on the sidewalk, which is a common practice, but it is deplorable and reprehensible.

I think it is deplorable and reprehensible that we have another interlude of taxation without representation in America which, if I understand the witness' testimony, is what he was asked to engage in. I applaud him for deplored it, although I regret that the fact of his opposition resulted in a series of unpleasant incidents, finally resulting in a fist fight and his dismissal from this coveted job.

But I would like to point this out, Mr. Chairman, that common or uncommon, when you have dues-paying money collected from working men and women under compulsory unionism, so that they have no choice but to pay the dues or lose their job, it is not right, and I don't believe it is legal.

But it is not right for an international vice president to engage a bunch of political goon squads and to have their salaries paid by the working men and women, and the orders as to what they do politically come from on top, so that the men who pay the money in dues are in the position of having to support candidates for office that they might prefer to oppose.

If that is a concept of Americanism, it is not mine.

I think that if we can do anything in this committee to expose it, fine. If we can do anything to eradicate it, put me down among those trying to do the job.

Mr. MANUEL. Mr. Motsinger, I believe you said you were on Vice President Gosser's staff in 1953, I believe that is your testimony so far—

The CHAIRMAN. Let the Chair make this observation: I appreciate the vice chairman agreeing with the comments the Chair made trying to keep this in proper perspective. There are some members of this committee who feel that these hearings are not very fruitful and not very productive. I wanted to get the thing in its proper perspective, so that those who hear and listen and see and read will know that if this is developing or should develop into a hearing where there is nothing much productive from it, those who are presenting it would have the responsibility. If it does develop into something that is very fruitful and of value to the committee and to the public, then the committee will have acted right in permitting to it be presented.

But I just want the record kept straight. I don't want to deny any member of this committee the right to present what he thinks may be improprieties and evidence that would so show.

I did feel and undertook to conduct the matter that way, that those things should be presented first in executive session so the committee could pass judgment, so that the committee as a whole could pass judgment.

We were not able to carry out that program and that plan. Now we are out in open hearings, in public hearings, and everyone will be able to judge for themselves, both the members of the committee and the public at large, as to whether it should have been a public hearing, whether there is anything in it of any real substance, of any real consequences that the committee should inquire into. I say that because that is the true situation.

Are there any other questions of this witness?

Senator CURTIS. Mr. Chairman?

Mr. MOTSINGER. Mr. Chairman?

The CHAIRMAN. May I say this, too, to my colleagues: I hope we can get right at the crux of whatever is involved here, whatever is at issue, get right at the crux of it, and get out here before the public so we will know exactly what it is.

I am not complaining. The witness is taking a lot of time, but he has been asked a lot of questions. But if we can cut across and get down into the real merits, the real issue, let's try to do it and expedite the hearings as much as possible.

Mr. MOTSINGER. Mr. Chairman?

Senator MUNDT. May I also say now as vice chairman that what the chairman has said is correct, and that I associated myself with him in the long series of executive discussions leading up to these hearings.

The newspaper reports to the effect that we were having violent quarrels, and so forth, were related to fringe benefits of these discussions and not to the gist of it.

The chairman and I both felt that this should be done in executive session. I think it is interesting that the two Senators who have complained the most about the witness talking in public were the two who voted originally to have it in public session.

The CHAIRMAN. Are there any other questions?

Senator CURTIS. Mr. Chairman, I shall not consume the time that has been granted here to present witnesses by answering the statements that have been made. I am willing to concede that the facts on the record for anybody to read in reference to Mr. Zvara, Mr. Love, Mr. Speidell, this witness, or anybody else. The interpretation of those depends upon the moral concepts of the individual who reads it. We are concerned about a principle here where men are denied their political rights, forced to contribute to candidates and causes in which they do not believe, and we are also interested in what happened to the flower fund.

I do not know why we cannot get any evidence as to whether or not this flower fund was used to maintain the union leaders in office. The records, if there are records of all the money, including the cash, would show that. The record is also clear that we have asked and asked for those records. We have a few pages relating to this year.

Now, Mr. Chairman, I wish Mr. Manuel to ask a question or two, and that will be all of this witness.

The CHAIRMAN. All right, Mr. Manuel, ask a question or two.

Mr. MANUEL. Mr. Motsinger, we want to move this along. This committee went into the Kohler dispute some time ago, which was marked by a lot of violence. Was there ever a time when you were assigned to Mr. Gosser's staff that you were called to Sand Lake, you and the other international representatives?

Mr. MOTSINGER. Yes, sir; we were called to Sand Lake once each year.

Mr. MANUEL. I beg your pardon?

Mr. MOTSINGER. Each year.

Mr. MANUEL. Was there an occasion when you were called to Sand Lake and addressed by Mr. Gosser with reference to the Kohler strike?

Mr. MOTSINGER. Yes, sir; in 1954.

Mr. MANUEL. Tell us what Mr. Gosser told you and the other assembled representatives.

Mr. MOTSINGER. I think the transcript of the meeting of the 1954 at the camp would show that the Kohler affair was discussed very thoroughly.

Mr. MANUEL. What else did he say?

Mr. MOTSINGER. With the representatives there, I think that was discussed very thoroughly at Sand Lake, pertaining to Kohler strike, in every phase with the people who were on that strike, who were up at the camp, and Mr. Gosser and them, and what the job was and what they had to do down there.

(At this point Senator Kennedy withdrew from the hearing room.)

Mr. MANUEL. Did Mr. Gosser tell you anything about sending some people up to Kohler? Yes or no.

Mr. MOTSINGER. Yes.

Mr. MANUEL. What did he tell you?

Mr. MOTSINGER. Well, he made remarks once there about the physical condition of all of the international representatives. He elaborated on this for a lengthy period.

Mr. MANUEL. What else did he say?

Mr. MOTSINGER. About the shape of all of them, being so fat and sloppy and everything; that none of them could stand up on a picket line for 5 minutes, or anything like that, if they had to, and that they were or should be ashamed of themselves.

Mr. MANUEL. Did he have any prescription for taking the fat off of some of you people, and, if so, what was it?

Mr. MOTSINGER. One of his personal references to me toward taking the fat off was the Canton, Ohio, drive was bogged down, and there was a question of whether they were even going to continue it or not, inasmuch as it was going on for 14 years.

Mr. MANUEL. Did he tell you anything about sending a bunch of you up to Kohler?

Mr. MOTSINGER. He didn't say a bunch of us. I think that was discussed in open meeting. But with me personally, what he told me, when I asked him what he would do about the situation at Canton, he told me, "You just mark time. Don't worry about it. I may have to send a few, and I may have to send you down to Kohler, because it looks like that will be a head-busting thing, and you will get that fat worked off of you down there." He told me that.

Mr. MANUEL. In essence, he said that he was going to send some of you up there to break heads; is that right?

Mr. MOTSINGER. He used the expression that it looked like it would be a head-busting affair, or words to that effect.

Mr. MANUEL. At that time was Mr. Donald Rand on the staff of Gosser as international representative?

Mr. MOTSINGER. Don Rand was in camp at that time.

Mr. MANUEL. Was he present and heard this address?

Mr. MOTSINGER. Yes, sir.

Mr. MANUEL. I think the records of this committee will show that during the Kohler strike he did go up and break quite a few heads.

Mr. RAUH. Mr. Chairman, you can't let him continue to say that. There is nothing in the record to support that.

Senator CURTIS. We ask that Mr. Rauh either be removed from the committee room or else asked to be still. He does not represent the witness.

The CHAIRMAN. Mr. Rauh will not be removed from the committee room as of now. I think he gets a little impetuous sometimes. But the chairman, with the help of the members of the committee, will keep the thing in order. As to the comment made by counsel that he did go up there and get a lot of heads busted, or something, the record will show exactly from sworn testimony what happened at Kohler. We went into it for nearly 2 months. The record is here and speaks for itself. Whether head busting was used as a figure of speech or used to indicate going up there and actually cracking the skull of a human being I don't know. But then the record is already made.

Proceed.

Mr. MANUEL. Was a Mr. Robert Burkhart also an international representative on Mr. Gosser's staff at that time?

Mr. MOTSINGER. His name was on the list.

Mr. MANUEL. Do you know whether he was present at that talk?

Mr. MOTSINGER. I couldn't say, sir, that he was present.

Mr. MANUEL. But you do know Donald Rand was there?

Mr. MOTSINGER. Yes. I was assigned on a committee with Don Rand. I think the record will show that.

Mr. MANUEL. There are two other matters that I think this committee would be interested in.

When you were down in Canton, Ohio, do you know anything about a strike which was called down there and which, in turn, idled many of the workers up in the Ford plant in Detroit? It is a rather celebrated case which was decided by the Supreme Court of Michigan not too long ago. Do you know anything about the strike in the small plant down in Ohio? If so, tell us what it is.

Mr. MOTSINGER. I can only tell you this: I was not in Canton, Ohio, when the strike was called in the spring. I was on the staff, on what they call G. & A. staff of Detroit at that time, general and administrative. It was along about the time that I went on the strike. I was fully aware of what was happening over there because I was on the staff with all of the Ford international representatives in that area, which was 11 or 12, and we knew about the strike.

Mr. MANUEL. Is it true that the UAW then had a 5-year contract with Ford which had 2 years yet to go?

Mr. MOTSINGER. Yes, sir.

Mr. MANUEL. Do you know anything about the strike that was called down in Canton, and, if so, how do you know it?

Mr. MOTSINGER. Well, now, I suppose every one on the UAW staff knew about the strike in Canton at the time, possibly why it was being called. I can't say that everybody did, but I say at least—

Mr. MANUEL. Did you know?

Mr. MOTSINGER. Yes.

Mr. MANUEL. What was the purpose?

Mr. MOTSINGER. It was known around that it was a strategy move of the head of the UAW to more or less place their finger on the pulse or the lifeline of the Ford empire to bring about the opening of the 5-year contract in the middle of its duration. I think newspaper testimony would verify that.

Mr. MANUEL. How would that happen?

Would it be by striking a small plant which made vital parts that that in turn would idle the entire Ford plant?

Mr. MOTSINGER. Yes, sir.

Mr. MANUEL. Did you have any conversations with the president of that Canton local which called the strike, Mr. Forcioni, I believe?

Mr. MOTSINGER. Well, not at that time. I did not know Dan Forcioni. At a subsequent date, after I was transferred to Canton, I was, naturally, talking about it with the boys over in Canton because they were very proud of the part they had played, some of the officers were, and some were not.

Mr. MANUEL. Did Mr. Forcioni acknowledge to you that he had participated in calling that small strike?

Mr. MOTSINGER. I was introduced to Mr. Forcioni who was the past president, I think he was the president during the strike, by the current president, at the Christmas meeting in the school.

Mr. MANUEL. What did he tell you?

Mr. MOTSINGER. Well, he related to me what had happened, that he had done the job for them in Canton.

(At this point Senator Goldwater withdrew from the hearing room.)

Mr. MANUEL. What was the job?

Mr. MOTSINGER. Successfully getting the people out on strike. And that as a result of it, the people in Canton were so embittered because they had been used that he had been kicked out of office in the election, or defeated in the election, and that he felt it was a dirty deal inasmuch as they had used him in that manner, and that he was being put back in the plant and had been back in the plant ever since leaving the presidency, or whatever his job—he was president.

Mr. MANUEL. Did that, in fact, result in reopening the contract with Ford which the UAW had and which still had 2 years to go?

Mr. MOTSINGER. Yes, I believe it did.

Mr. MANUEL. Do you know that later on the Supreme Court of Michigan held that these unemployment insurance benefits could be paid to these strikers up in the Ford plant?

Mr. MOTSINGER. Yes, I know that. That is a matter of record in Michigan now.

Mr. MANUEL. Do you know that a considerable sum of money was paid out as a result of that case, which was decided recently?

If you don't, say so.

Mr. MOTSINGER. All I know is what the newspapers say. \$2 million was paid to the employees. I am working in a plant where the

men were recipients of that money, a lot of it, because that was a plant in Detroit that was forced to go on strike, I mean to be without employment, while the strike was in Canton. It just so happens that that is the plant I am in now.

Mr. MANUEL. There is only one other matter. You have been talking something about your political activity in Michigan. Did you ever campaign either for or against ex-Senator Potter, of Michigan, as a UAW political action man?

Mr. MOTSINGER. Well, I didn't campaign against Senator Potter.

Mr. MANUEL. Did you hear any conversations about what the technique should be on the part of the political action boys as to Senator Potter's campaign? That is, with respect to his physical appearance, the loss of two legs during World War II?

Mr. MOTSINGER. Well, I think we are going way back there. I realized when those statements were made; yes.

Mr. MANUEL. Who told you?

Mr. MOTSINGER. On Potter? In his first election?

Mr. MANUEL. 1952?

Mr. MOTSINGER. The conversation came about by describing the smear tactics that are used by the union or the UAW on political candidates, and also smear tactics that are used by the UAW in campaigns to defeat local union officers, too.

Mr. MANUEL. Let's stick to the one we have in mind now.

What, if anything, did anyone, assistant director, or anyone else, tell you and others, or others in your presence, what the word should be as to Senator Potter?

Mr. MOTSINGER. On the Potter incident, that was a man by the name of Darden Young.

Mr. MANUEL. Who is he?

Mr. MOTSINGER. He is an assistant director of region 1-A.

Mr. MANUEL. Does he still have that job?

Mr. MOTSINGER. Yes, sir.

Mr. MANUEL. What did he say about Senator Potter?

Mr. MOTSINGER. This developed in a conversation there about—

Mr. MANUEL. State what it is.

Mr. MOTSINGER. Well, the statement was made in a conversation in, I believe it was 1952, when he was running against Blair Moody.

Mr. MANUEL. What was the conversation? What did he state should be expressed?

Mr. MOTSINGER. Well, we were discussing, we were talking about that my position was that Potter would have a runaway, he would have a runaway of the election because, I said, he obviously has a good record, a man like that. Barden pointed out to me "Well, wait until the word gets around how he lost those legs and everything." He brought that out, and he said "Wait until the word gets around how he lost them."

I asked him what was this information. He said "Don't you know"? And I said, "No, I presume he is a war casualty."

He said, "Wait until it gets around to finding out what actually happened, that he was slightly inebriated, and fell off a truck, in a truck accident."

Mr. MANUEL. And that is how he in fact lost his legs?

Mr. MOTSINGER. That was the story.

Mr. MANUEL. Was that smear spread, as far as you know?

Mr. MOTSINGER. I suppose it was.

Mr. MANUEL. Did you ever talk to Senator Potter subsequently about this thing?

Mr. MOTSINGER. I talked to Senator Potter in 1958.

Mr. MANUEL. Did he confirm that this had been used against him?

Mr. MOTSINGER. Yes.

Mr. MANUEL. That is all.

Senator CURTIS. Mr. Chairman, we are ready for the next witness.

Mr. RAUH. Mr. Chairman, I have some questions to be put to the witness. Since the staff is unable to do so, I would ask the chairman if he will put the questions.

Rule 11 provides for questions being put through the Chair. Particularly because the staff is not able to question, I would ask that these be put to Mr. Motsinger.

Mr. MOTSINGER. Mr. Chairman, I would like to say something from the witness standpoint.

The CHAIRMAN. Just a moment.

The Chair will hear you briefly. Go ahead.

Mr. MOTSINGER. Are you talking to me?

The CHAIRMAN. You are the witness; yes.

Mr. MOTSINGER. Well, I have had difficulty because I wanted to get some statements in here for my protection in my home State and in the labor movement, and on several occasions I have asked for the floor. I resent the man behind me whose salary—

The CHAIRMAN. You sit down. You are simply a witness. You are not a prosecutor; are you?

Mr. MOTSINGER. Do I have the same privileges that this gentleman does whose salary I am helping pay?

The CHAIRMAN. Just a minute. He is an attorney representing certain clients here and he has certain rights that are going to be respected, and as a witness you have certain rights, and I am going to respect your rights. If you have any document that you wish to submit that you have not submitted, if you will present it, the committee will pass on its relevancy.

Mr. MOTSINGER. I would just put it this way—

The CHAIRMAN. I started to say credibility, but I knew that wasn't the word I wanted to use.

Mr. MOTSINGER. I would put it this way: Before this hearing is adjourned this morning, I want to get certain statements of mine into the record of my position in the UAW, and as a citizen of the United States, which has been left out to this point, for the protection of me and my family and my position in my State. If I am granted that opportunity, it will take less than 5 minutes to do it. But I would like to be assured of that opportunity.

The CHAIRMAN. The Chair is going to grant you the privilege. As long as you talk to the subject that is pertinent to this inquiry, you will be heard.

Proceed.

Mr. MOTSINGER. A lot of the evidence that is emanating from the respective sources here was my position regarding the labor movement long before I went on the staff of Walter Reuther, which the records would show, or my articles in local newspapers would show

that I stood up against certain things when I felt it was improper, regardless of whether it was against Reuther or anyone else. But I want to point out that due to the press coverage of this, I am being put in a bad light. I have suffered what I felt was enough penalty in a period of over 4 years since leaving the staff. I now stand in the position of being placed in the category of being a tool of management or something. I hope that the people will bear with me when I tell them that I have been unemployed most of the time since leaving the staff, due to my international background. In the last year my total earnings were \$300 for the entire period, and that I have only been working 5 months out of the last 20. I have suffered a great hardship and tried to get relief from that hardship. But I want to point out that some of this information has come from my desire to appear before the Barden committee or any other committee to help draft some legislation in the United States that I have found has been deleted in any of the three bills in Washington, that I felt the membership of the UAW was entitled to it, the dues-paying members.

Those questions have not been brought out, and only part have, which would leave it in a bad light, that I was an antiunion person. For the record I want to state that I have been a union member for the past 17 years, of 142, and no man appreciates the union any more than I do, and that I came from a State where I never had the privilege of working in a union for 17 cents an hour, and that I am not antiunion, and were a shooting war to break out tomorrow between management and the people in the ranks of the union, I would be shooting at management. But I want these things to be carried back to my people, because I feel that I am the only one that suffered a great loss in every respect and will continue to do so as a result of these hearings. I just wanted to get that into the record. But I also want the part about the political action that has been brought out here—I want them also to know that my position is no different from the 1.3 million under the jurisdiction of the UAW at this time who contribute to political action merely because they were under the same duress and pressure, almost as great as mine, or any other member who holds political office, to the extent that if he wants to keep his money going from a man who is running against his father for office, he must go to an office and demand that his part of his dues money be set aside, and let the UAW-CIO, Walter Reuther, put that money to some of his charities.

That is my position on PAC. I have been against it. I am against it. But I have been forced to contribute to it. But I would like to see where nobody would have his dues put to a use that he doesn't want it to. But he is not compelled to walk into management and make the reservations that it be taken out so that the word would go out on the floor in that plant where that man would be pointed out and have it said that "He is a Republican and fails to contribute to PAC." Because I can tell you that I know the people in the plants. I think they know me or they wouldn't have kept electing me every time I ran. But I can assure you that they do not want to face the loss of representation in their respective plants, by so going on record that they do not want their dues dollar distributed through PAC at the UAW level. I want that all in the record, sir.

Thank you.

The CHAIRMAN. You have put it into the record.

Senator MUNDT. Mr. Chairman?

I have no objection to Mr. Rauh's questions, if the Chair decides he wants to ask them. But before they are asked, relevant to what the witness just said, I do recall from Mr. Walter Reuther's testimony, when he was on the stand, that he related a situation which confirms part of what the witness has just said. He said that PAC or COPE, I have forgotten which, had worked out a routine whereby somebody who was disinclined to have part of his money be used for political purposes, could make representations to somebody and that that fund would be set aside. The record will show, I think, that less than 500 of the whole UAW people had run the risk of going in specifically and telling the labor bosses "We don't like this political use of our funds. We want to have our money set aside for some other purposes." I think Mr. Reuther said it went into the flower fund, but it may have gone into some charity fund.

I have one other point, Mr. Chairman.

There has been a lot of discussion this morning as to whether or not people are protected in their jobs who may be influenced by union officials. He mentioned a situation in one of the plants where he had served as an international representative, with some women who lost their jobs. In that connection I want to point out that this type of thing happens not only in the UAW, but it happened in the Operating Engineers. I received in my office yesterday a letter from a private in the U.S. Army, which I want to read at this time. It is a short letter. It is from a witness before this committee, to whom I think we have some responsibility.

The CHAIRMAN. The letter will not be regarded as evidence but as a statement from the member of the committee.

Senator MUNDT. Correct.

It is from Pfc. Peter Batalias, serial No. 32709816, Company A, Third Training Regiment, Fort Dix, N.J.

For background, Mr. Peter Batalias was one of the witnesses who came before our committee testifying against William Maloney, former international president of the Operating Engineers, who, as a consequence of these hearings, has been removed from that office and a successor has been appointed. It had to do with the testimony against Mr. William De Koning and other officers of Local 138 of the Operating Engineers.

Mr. Batalias has been coming to my office quite often since he appeared before the committee, alleging that he had lost his job and couldn't earn a livelihood because the union officials would no longer permit him to serve because of the testimony he had made before this committee. I turned him over eventually to one of my staff members, Mr. Jim Smith, who is in this room. Mr. Batalias wrote Mr. Smith as follows:

DEAR JIM: This to inform you that I was forced to join the Army because of the bankrupt condition I was left in after 8 months of unemployment. I guess if I waited for Robert Kennedy to take action against Meany, Woll, and the Operating Engineers for contempt of the U.S. Senate, I would die a slow death, which is just exactly what did happen to me.

The CHAIRMAN. Just a moment.

Senator MUNDT. May I point out—

The CHAIRMAN. You know better than that. You are making a charge against a staff member. He has no authority to prosecute anybody for contempt.

Senator MUNDT. No, I am not. If the Chair will hear me out, I was about to say that there is no charge here against Mr. Kennedy. He is simply saying that he had tried to get this committee counsel, tried to get me, tried to get the committee, to do something to restore his job. He is pointing out that if he had to wait for our committee to act, he would have died a slow death.

The CHAIRMAN. Let me say that I resent that. This committee has acted. I have never worked harder at anything in my life. That absolutely is not true.

Senator MUNDT. Let me finish the letter and we will see.

The CHAIRMAN. I don't care whether it is finished or not. It does not belong in this record. It is not evidence. It is simply a self-serving declaration from the writer of the letter. I don't care anything about it.

I do know, and everyone else knows, that this committee has no power to prosecute even for contempt. It can only cite people for contempt, and to say that he is waiting on this committee to do something simply is not justified, because this committee has worked hard and continuously.

Senator MUNDT. I think after I finish this letter, the chairman will realize that the letter has a very pertinent purpose.

The CHAIRMAN. It is just a statement for the press.

Proceed.

Senator MUNDT. I hope the press will cover it. I know it will be in the record.

I want to take this opportunity to sincerely thank you from the bottom of my heart for everything you have done. If there is any way I can be of any assistance once to you, I would appreciate it if you would call me. I expect to be stationed here for at least 2 more months, but would be tickled pink if given the opportunity to continue fighting the protectors of racketeering and corruption in union labor. From what I have been reading in the newspapers, it appears that the tide is turning. I hope it can go all the way.

Say hello to Fritz Randolph for me, and thanks again for your sincere interest in behalf of the fight for clean unionism and all America.

Yours sincerely,

PETER BATALIAS.

This letter to Jim Smith seems to me indicates, Mr. Chairman, that we should call Peter Batalias and ask him specifically what was done to prohibit his right to earn a living as a union member, which he lost because of his good Americanism in testifying before this committee. The chairman has said over and over again to witnesses, "If we can protect you through subpena or any way else against recriminations, or against attacks by union officials against you who have testified, we will do all we can."

He is quite right that we cannot prosecute, but it is certainly clear that we can call Mr. Batalias, who was forced to join the Army to earn a living for his family, and have him relate for the record how he was deprived of his livelihood, and it seems to me, in that way sharpen up a case to turn over to the authorities if it is as I think it is, strict contempt of Congress, and contempt of this committee, because one of our witnesses lost his means of livelihood because he testified. I mention that to point out that men do lose jobs because of this. I think that is very pertinent, because a witness has been testifying to that point.

The CHAIRMAN. May I ask you, Senator, if you have requested the chairman of the committee to issue a subpoena for this party, or have him here?

Senator MUNDT. I do now.

The CHAIRMAN. I am very glad to get it out in the public. That is the way to make horseplay, pure and simple.

Why could you not have requested? You wanted to advertise it to the public. You have had your say. The chairman is trying to carry on this committee with due deference to everyone. You come in here with a letter that is wholly unrelated to the subject matter now being investigated, and read it here as if to reflect upon the Chair, the committee, and others because we have not done our duty to have the fellow here. I have not heard of it until now.

Senator MUNDT. There is no reflection on the Chair and no reflection on the counsel, except for the fact—

The CHAIRMAN. You know how to do it. Tell me you want a subpoena for him.

Senator MUNDT. I ask you know.

The CHAIRMAN. Issue a subpoena for him, and let it be shown that it was done here in public instead of the request being made in the proper way in order to carry on this committee with proper propriety and procedure.

Proceed.

Is there anything further from this witness?

If not, the Chair has some questions submitted by the counsel for the UAW—is that your role, Mr. Rauh?

Mr. RAUH. Yes, sir.

The CHAIRMAN. I haven't read all of them, but I think there are too many of them. I will say that to you. Some of them I will ask. If there is objection on the part of any member of the committee when I ask the question, speak up.

It would seem to me that they deal with matters that the witness has covered in his testimony, so far as I have been able to read them.

Senator GOLDWATER. Would the chairman yield for a moment?

The CHAIRMAN. Yes.

Senator GOLDWATER. I would like to ask Mr. Rauh who he is representing in this particular case. Is it Mr. Gosser?

Mr. RAUH. I represent the United Automobile Workers, as I did at the Kohler hearings, sir.

The CHAIRMAN. This is a question propounded to you at the request of counsel for the UAW, Mr. Motsinger. The question is: Were you discharged by the UAW for striking your superior?

Mr. MOTSINGER. I don't know how to answer that, Mr. Chairman, in the short sentence you want. The record of the UAW doesn't show I was discharged. I could have not drawn unemployment compensation from the State of Michigan had I been discharged, because it would have been illegal to do so. I think the UAW termed it a "lack of work." If I said "Yes," that I was discharged for striking a man, I would be perjuring myself, because I was discharged for my attempts over the years to do as I have stated here, and for having a fight with Mr. White—not striking. He was struck, all right, but I was, too.

The CHAIRMAN. Let's see if we can get the answer to it.

Mr. MOTSINGER. Let him rephrase the question, sir.

The CHAIRMAN. The answer is "No," as I understand it.

Mr. MOTSINGER. Yes, sir; I would have to say "No."

The CHAIRMAN. All right, that is the answer. Your answer is "No."

Question No. 2: Did you ask for and receive a hearing on your discharge before the international board?

Mr. MOTSINGER. I tried to get my justice as prescribed in the constitution of the UAW for these events such as this. I appealed to the UAW for a chance to appear before the executive board prior to the convention. This happened in January 1955, and there was a convention coming within 2 or 3 months. I wanted to go before the international convention with what I have went before many people since that time. The international executive board refused to act on my calls or requests. They wouldn't grant me a hearing before the executive board in January until the convention was out of the way in July, 6 months later.

The CHAIRMAN. Can you answer it? Did you ask for and receive a hearing? Can you answer that question "Yes" or "No"?

Mr. MOTSINGER. I received a hearing in October after a January request for a meeting.

The CHAIRMAN. You made the request and received—you made the request in January and received the hearing in October?

Mr. MOTSINGER. In October, because in the July thing I was leaving the hospital the day immediately prior to the telegram that told me I was to be there.

The CHAIRMAN. Now there are two questions together:

Did you appear at that hearing and make the following statement, among others:

But I says, "Russ, you got something coming to you for a long time", I says, "and I am going to give it to you." And I took my glasses off and walked back to his desk and laid them on his desk and we started at it.

Mr. MOTSINGER. Yes, sir. To take something out of context like that without the following statement or the prior statement, I think is a very unfair thing.

The CHAIRMAN. I will let you explain the context of it.

Mr. MOTSINGER. All right, sir.

You have to involve innocent people in this testimony that I didn't want to do, but I have letters here to substantiate, if necessary.

The good people down there had informed me upon my arrival at the office that day that White had did a job with Mooney on me, and that, "They are going to get you away from this place down here." I was expecting that, because of my reports. Mooney had been down there. I was handed this letter, and told what had transpired in the past hour or so.

Mr. White called me, and we were in the office. There was only a partition between us and an open door away around. When I went in, he got up and he says, "Well, I am going to ship you out of here."

I had already been warned of that. I said, "Just a minute, Russ. Why?"

I believe his words were, "Well, that is it. I am shipping you to Allentown."

I told him, "Russ, I don't mind going to Allentown or anyplace else. I have no particular place I am in love with as long as I am away from my home. But I want to know something. Why are you continuing to do this? You are the one who taught me the rules in Elyria, Ohio, about the last man in, first man out, and now there are four or five of the Toledo gang that has come in since I have been here, and if there is a job to do in Allentown, why are you sending me down?"

We were in hot words. He jumped up at the desk and he says words that I mentioned before, "You so-and-so, you are going down there and if you don't," he said words to the effect that "You will be fired."

Well, he had no authority to make such a statement as that, inasmuch as he was merely an international representative on the staff, but classified as leader that he made it.

I started to turn around and go out of the office, and I said to him, "Why don't you take a knife, Russ, and stick it in my back? Haven't you even got guts enough to do that?"

He made some other statements, and got up as if he was coming around, and I took my glasses off and laid them down, and I said, "If that is what you want, that is what we will have."

I said, "You have had something coming to you for 2 years for what you did to me, I believe, and my family."

Russ was swinging at me and I was swinging at Russ.

The CHAIRMAN. All right, you had a fight, didn't you?

Mr. MOTSINGER. That is right. Two people. It takes two, Senator.

The CHAIRMAN. It what?

Mr. MOTSINGER. It takes two to have a fight. I wasn't swinging at myself. We were fighting, that's all.

The CHAIRMAN. That is all you were asked, if you didn't have a fight.

Mr. MOTSINGER. I was asked if I did strike Russ White. There is a difference. Let's turn it around: Did he strike me? I got some knots, too.

The CHAIRMAN. The question was if you made the statement, "And I took my glasses off, walked back to his desk, laid them on his desk, and we started at it."

Mr. MOTSINGER. That is exactly right. I wouldn't deny that testimony.

The CHAIRMAN. The only thing I am trying to do is to give you every courtesy in the world. I ask you a question and we take a long, long time to answer it. I don't want to cut off your answers, but can't we expedite it?

Mr. MOTSINGER. Mr. Chairman, if I would answer the question in the way it was phrased to me, what would be your opinion? Did I strike Russ White? What does that sound like?

The CHAIRMAN. It sounds like you hit him, to me.

Mr. MOTSINGER. That is right. But where would be my part of the testimony that says he popped me?

The CHAIRMAN. When you say, "We started at it," I suppose the "we" meant the two of you.

Mr. MOTSINGER. What you determined there was the general opinion of every representative on the UAW staff.

The CHAIRMAN. All you had do was to say, "Yes, we started at it."

I will ask you a few more questions. I will say that I don't want to deprive you of answering, but we can stay here for a long time if you are going to make long and unnecessary replies.

In that same statement, did you anywhere refer to any complaints you had about payments to the flower fund or the PAC fund? That is at the hearing before the executive board.

Mr. MOTSINGER. That hearing was before the 25-member executive board of the UAW, and every member of the 25-member board of the UAW obviously is either recipients or paying into the flower fund, and it is composed of nothing but union people in the entire room.

I can say this: No, I didn't get up and protest the flower fund.

The CHAIRMAN. All right. Can't you answer "No" and then say "because they were all paying into the flower fund"?

Mr. MOTSINGER. Yes, sir. But I didn't protest it to the executive board of paying into the fund, no. I think that is on the record already, that I didn't protest it to the UAW hierarchy.

The CHAIRMAN. Have you testified that you never had a chance to talk to Mr. Gosser?

Mr. MOTSINGER. Pardon?

The CHAIRMAN. Did you testify that you never had a chance to talk to Mr. Gosser?

Mr. MOTSINGER. At the executive board meeting, did I testify there? Let's see. Let me get this straight in my mind.

The CHAIRMAN. I just asked you: Have you testified that you never had a chance to talk to Mr. Gosser?

Mr. MOTSINGER. Yes, sir; but I would like to know the time, because as I have already indicated in the record I sent Gosser a telegram wanting to talk to him and was denied it.

The CHAIRMAN. Let us say that you have never had a chance to talk to him about the flower fund or the PAC funds at that time, at the time you were having this hearing.

Mr. MOTSINGER. Why, no, I didn't. The flower fund and the PAC fund was not a point of discussion pertaining to my removal from the staff at no time. That is in the record.

The CHAIRMAN. What they are trying to determine is whether you ever complained about the PAC and the flower fund. Did you ever complain to Gosser or the board about the PAC and the flower fund, and your having to pay money into it? That is the substance of it.

Did you ever make any complaint about it?

Mr. MOTSINGER. Senator McClellan, I believe that is already covered in the record that I didn't complain to my immediate superiors about that, in the form of making a specific issue of that. It is possible that I might have mentioned it at some time that I don't recall. I don't intend to perjure myself by saying that I didn't. I don't think there would be a record of it if I had, but I am not going to sit here and perjure myself.

I tried to indicate yesterday with a very flat statement, to the best of my knowledge, I never protested to Walter Reuther, Emil Mazey,

or Dick Gosser directly against paying to the flower fund or the PAC. I don't know how I can make a statement plainer than that is.

If that is what the man is trying to develop in my testimony, that was yesterday, he could have rubbed that out and saved time.

Senator CURTIS. Mr. Chairman, could I ask one brief question that I believe can be answered in one word?

The CHAIRMAN. Yes, sir.

Senator CURTIS. Mr. Motsinger, what is the best estimate that you can make about how many minutes was allowed for your presentation of your case to the executive board?

Mr. MOTSINGER. I can't truthfully answer that for the simple reason when I was called in they knew what it pertained to, the length it would have to be gone into, but at the opening, Mr. Reuther went in and said:

You know why we are assembled in Detroit, and we are in the middle of the first guaranteed annual wage. These people are all here, we have very important business, but we have agreed that we will let you discuss the thing.

The record will show that I did not want to place my case in jeopardy. Were I not to be allowed to go into what happened on the UAW staff since my going on to the staff and leaving it? They bandied around and said, "Well, well, try it, you have about 15 or 18 minutes, or something like that."

I don't know what it was the length of time consumed there. The record would show that. I would have to trust it as much as I would any other part of the record.

The CHAIRMAN. I am not going to ask all of these questions, but here are two I will ask: One of them reads this way: You complain about the UAW organizing efforts. Did you ever succeed in organizing a plant anywhere at any time?

Did you, yourself, ever succeed in organizing a plant anywhere at any time?

Mr. MOTSINGER. I wasn't never assigned to a plant until its completion. I was taken out of Elyria, Ohio, after 4 months, and they drug on and spent the money of the UAW until the Government called them in Cleveland and told them, "Quit kidding. Don't tell us one of your representatives is up at Michigan with his cottage with enough cards to make up a petition for an election."

The CHAIRMAN. Your answer is that you were never assigned to organize a plant?

Mr. MOTSINGER. I was assigned to organize a plant, but I was never on one that was won while I was there.

I will put it that way.

(At this point Senator Church withdrew from the hearing room.)

The CHAIRMAN. What you are saying is that while you were assigned to organize a plant or plants, you were not successful in getting them organized or they were not yet organized at the time you left them?

Mr. MOTSINGER. I was not successful, but you will have to put it this way: The UAW was not successful in organizing any of those plants.

The CHAIRMAN. Let's say you, the UAW, and all efforts being made up to the time you left, had not been successful.

Mr. MOTSINGER. No, sir; I will be very glad to state that.

The CHAIRMAN. This, I think, you would want to correct, if you overlooked something yesterday.

Yesterday you testified regarding your pay after you became a representative—is that what you call them—international representative?

Mr. MOTSINGER. Yes, sir.

The CHAIRMAN. The question here is: Isn't it a fact that you also received \$49 as an expense allowance?

I assume that is in addition to the \$140 that you have already testified to; would that be correct?

Mr. MOTSINGER. Forty-nine dollars in what form?

The CHAIRMAN. As an expense allowance.

Mr. MOTSINGER. No.

Wait just a minute. On any weekly expense or anything like that? You are in a field where I am honest with you. I know nothing about that.

The CHAIRMAN. I don't know either. I am asking you. You would know whether you received it or not.

Mr. MOTSINGER. Well, if you will bear with me, I am only trying to determine what the gentleman behind me is trying to develop.

The CHAIRMAN. Let me put it this way to you: You testified yesterday that you got \$115 salary, I believe, after you got to be international representative, some 2 or 3 months?

Mr. MOTSINGER. That is right, sir.

The CHAIRMAN. Am I correct?

Mr. MOTSINGER. Yes, sir.

The CHAIRMAN. Then you said in addition to that you got \$25 car allowance.

Mr. MOTSINGER. In-town car allowance, for your car, whether you used or set it in a garage.

The CHAIRMAN. All right, you got it.

The question, then, would be: Did you in addition to that get \$49 a week as an expense allowance?

Mr. MOTSINGER. No; you got your expenses at the hotel as prescribed by the constitution. If your hotel in Elyria, Ohio, was \$140 a month, that is what they paid, your hotel bill, by the constitution, when you were taken away from your home.

The CHAIRMAN. Let's say while you are at home.

I can appreciate when you go off and are assigned to another town, you had to stay in a hotel, maybe they paid your hotel expense in addition to the ordinary remuneration that you got including expenses; would that be true?

Mr. MOTSINGER. Yes; they paid your expenses. I will put it this way: Some of us.

The CHAIRMAN. But when you were home and drawing \$115 a week and \$25 for car expense, did you also draw, in addition to that, when you were at home, \$49 a week as an expense allowance?

Mr. MOTSINGER. I have my expense sheets here, sir, that are made out by the UAW.

The CHAIRMAN. Can you answer whether you did or did not?

Mr. MOTSINGER. I am trying to determine exactly what I drew from the UAW while I was on their staff. On expenses, your intown car allowance was \$25 a week, and expenses up to and including certain

amounts. I wish the gentleman would help us by telling me how that is listed.

The CHAIRMAN. You are testifying. You got the money or you didn't get it. The question is proper.

I just want to try to move along. The question is proper.

If you got \$39 a month additional expense account, it seems to me you would know.

Mr. MOTSINGER. As I have told you here before, the intown expenses for your car, your hotel expenses, for whatever the actual expense was, and that varied from city to city.

The CHAIRMAN. While you are looking, the Chair will make the observation that I was requested to ask the witness some 21 questions. I think I have asked him about four or five of them, and I think those are sufficient to generally cover it. I will not ask all of them, unless there is objection on the part of some other member of the committee.

Senator MUNDT. No objection to your asking them, and no objection to your not asking them.

Mr. MOTSINGER. Sir, here are the expense sheets of the UAW that were handed to me to be sure that I made them out proper at the time of my indoctrination speech by Mr. Madrzykowski, and I believe at the same time the flower fund because it was pointed out not to have to be reminded about that. This is in Mr. Madrzykowski's handwriting. I have another one given to me over in Elyria, by a different party, for the same period.

The CHAIRMAN. Mr. Motsinger, you say you have sheets there. Would you answer as to whether you got \$49 a week in addition to the \$115 and the \$25? Did you get \$49 a week in addition to that general expense allowance?

Senator CURTIS. Mr. Chairman, would it help to clarify if we would specify whether there was an expense allowance in addition to the actual expense accrued that he had to bill for?

The CHAIRMAN. I think the witness would be able to answer. If he cannot, we will try to devise some other means to supply the information for the record. I assume the UAW has a record of it, and that can be supplied. But the question was directed to this witness.

Mr. MOTSINGER. Here is all the money that I know that I draw, and I am trying to explain this. On July 25, and this was the same way with all weeks that I was on the staff, this is your expense, as they have it, \$4 a day for a hotel was what I turned in. That is the way it was wrote down here.

The CHAIRMAN. What month is that, or what week?

Mr. MOTSINGER. July 25, 1953. I think that is the week I was assigned to Elyria, Ohio.

The CHAIRMAN. How long were you an international representative and drawing \$115 a week? How long did you serve in that capacity?

Mr. MOTSINGER. From the time my wages was brought to 115, about 3 or 4 months after I went on the staff, until I was removed from the staff.

The CHAIRMAN. That doesn't tell me whether it was 2 weeks or 2 years.

Mr. MOTSINGER. I would say close to 20 months, a little over a year and a half, I would say.

The CHAIRMAN. That would be between 80 and 90 weeks, at 20 months. You would know whether you were allowed during that period of time \$49 a week expense allowance in addition to your \$115 salary and your \$25 car expense.

Mr. MOTSINGER. No; not in the sense of the way they are talking about here. I was allowed this: My house rent was paid in Canton, Ohio, \$85 a month.

The CHAIRMAN. Do you mean your house rent was paid in addition to your salary?

Mr. MOTSINGER. Yes, sir; in Canton, Ohio.

The CHAIRMAN. Then you got more than \$49 a week.

Mr. MOTSINGER. Just a minute. In Philadelphia, the house expense there, I think, was \$100 a month for rent, for me and my family, because they had to move me and my family wherever they took me. That was paid by the UAW international. To me it seems as though—

The CHAIRMAN. Was that in addition, Mr. Motsinger, to your salary and the \$25?

Mr. MOTSINGER. Yes, sir; it certainly is. It is prescribed in the constitution by the UAW that any man that is removed from his home and forced to live in these communities away from his home shall be paid his expense.

Would you ask these people if that is what they are talking about?

The CHAIRMAN. Let me ask you this: When you are moved to another city and you were drawing \$115 salary still—were you—per week?

Mr. MOTSINGER. Yes.

The CHAIRMAN. Including your \$25 per-week-car allowance?

Mr. MOTSINGER. Yes, sir.

The CHAIRMAN. And also they paid your house rent, whatever it was, \$60 or \$100 a month; is that correct?

Mr. MOTSINGER. \$85 in Canton, Ohio, I believe was the exact figure.

The CHAIRMAN. Well, whatever it was, they paid your house rent.

Mr. MOTSINGER. That is right.

The CHAIRMAN. Did they, in addition to that, during that 20-month time, provide you \$49 a month other expenses, general expenses, in addition to those items? That is what they wanted me to ask you. I can tell that from their expressions. I think it is in line with your testimony.

Mr. MOTSINGER. Senator McClellan, you are talking about something that I haven't paid any attention to, because I never thought anything about it, except the house rent and the way they paid it. If you can pass that, I will try to dig up all my expense sheets that I can find, because I fear that there is a gimmick somewhere in here that I don't know anything about.

Senator MUNDT. Would this be helpful, Mr. Chairman, and I do not know what the point of it is, but it may be that the UAW alleges, or Mr. Rauh believes, that he was paid some special allowance other than the other international representatives. If not, if he was paid the same, Mr. Rauh should know what the figures are, and he can put them into the record. He has been sworn.

The CHAIRMAN. The witness has testified, he is under oath, he is the one that got the money, and it is a perfectly proper question to ask

the witness, since he testified he was paid, and this job was a coveted position and amounted to a promotion when he got it.

If the witness cannot answer, I will permit, if it is desired, to have testimony as to what he received. I want to give him the opportunity, if he can, to remember and testify. If he cannot remember, if he is not sure, or does not know, we will ask Mr. Rauh the question.

Mr. MOTSINGER. Let me help you, sir; let me help, if I can.

This is \$7-a-day daily allowance.

(At this point Senator Ervin entered the hearing room.)

The CHAIRMAN. Well, what is 7 times 7?

Mr. MOTSINGER. Let me finish this, because I want to be sure that you gentlemen are convinced if I have omitted anything in the expense account from the UAW, I am trying to bring it out here that I didn't know what he was talking about.

It was \$7 a day daily allowance after you were in a town so long. When you first went into that town, for the first 30 days, it was \$12 a day for the first 30 days.

The CHAIRMAN. So he used the minimum.

Mr. MOTSINGER. For the first 30 days, that is what you were allowed.

The CHAIRMAN. \$12 a day?

Mr. MOTSINGER. Yes.

The CHAIRMAN. And thereafter \$9 a day?

Mr. MOTSINGER. Pardon?

The CHAIRMAN. Thereafter how much?

Mr. MOTSINGER. \$7 a day.

The CHAIRMAN. \$7 a day?

Mr. MOTSINGER. Yes, sir. Unless you were one of the fortunates who could be transferred fast enough every 30 days to keep you at the maximum.

The CHAIRMAN. So you did get the minimum of \$7 a day, which would be \$49 a week; is that right?

Mr. MOTSINGER. I will say yes.

The CHAIRMAN. O.K. I will not ask any further questions. I think we have covered it sufficiently.

Is there anything else?

Senator MUNDT. Mr. Chairman, I think we should tell the witness what we have told preceding witnesses. I do not know that this is a conceivable occurrence, but he has testified against some officials of the UAW and against some of the UAW practices. Further testimony will verify the validity of that.

I do think that you should tell him that if reprisals are taken against him, he should report back to the committee and be given what protection the committee can give, because he has brought forward evidence which probably will not ingratiate him with any UAW officials.

Mr. RAUH. I can assure Senator Mundt that there will be none.

Senator MUNDT. I am not sure that there will be, and I am not sure that your assurance is valid on that point.

The CHAIRMAN. Just a moment.

Do you have any apprehensions of personal reprisals or actions against you in any way, Mr. Motsinger?

Mr. MOTSINGER. Do I have any?

The CHAIRMAN. Yes, that any such will be imposed or attempted?

Mr. MOTSINGER. By the union?

The CHAIRMAN. By the union or any representative thereof, any thug, hoodlum, gangster, murderer—anybody, by reason of your testimony?

Mr. MOTSINGER. I will phrase my answer this way: I am not afraid of any physical violence that will result from my testimony down here, but I am really afraid of the harassment that will continue through my telephone, and my wife, people calling there to harass us, such as they have even since I was here last week. That will continue.

I already have reports from the plant, before I came back, that there is a certain element in the plant who insists that I was to run for president in that plant, and I have told them that I would have no part of a union office. But they have insisted for a year and a half that I did. But I was told that the current thing in the plant was: "Now even if they was to put Motsinger in, he says the UAW International wouldn't even represent us out here because he is testifying before a Senate committee against the unions."

That is the only type of smear that I am afraid of.

The CHAIRMAN. I do not know about smears.

Mr. MOTSINGER. I am not afraid of physical violence.

The CHAIRMAN. We will put you under the injunction that if you get molested, threatened, intimidated, coerced, if any attempt at retaliation is made against you according to your best judgment by reason of your testimony here, please report it promptly and immediately to the committee.

Mr. MOTSINGER. I will, sir.

The CHAIRMAN. If the committee can ascertain that such an attempt has really been made, I have said before, and I still think, the Senate has jurisdiction to cite for contempt anyone who in any way undertakes by threats or violence or any other improper ways to intimidate a witness who testifies here, I think such action would be in contempt of the U.S. Senate.

Are there any further questions?

You report if any such thing occurs. Will you do that?

Mr. MOTSINGER. I certainly will.

The CHAIRMAN. You will remain under your present subpoena, subject to being recalled if and when the committee may desire further testimony from you, upon reasonable notice being given to you and without your being resubpeneaed; will you agree to that?

Mr. MOTSINGER. Definitely, it is agreed.

The CHAIRMAN. If there are no other questions, the witness is excused.

Thank you, sir.

Call the next witness.

Senator CURTIS. Mr. Cyrus Martin.

The CHAIRMAN. May I ask if we can get through with the next witness quickly?

Senator CURTIS. We will do our very best, Mr. Chairman.

The CHAIRMAN. Will you be sworn, please?

You do solemnly swear that the evidence you shall give before this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MARTIN. I do.

TESTIMONY OF CYRUS MARTIN

The CHAIRMAN. State your name, place of residence, and your business or occupation.

Mr. MARTIN. My name is Cyrus Martin, better known as Toots Martin to the general public.

The CHAIRMAN. Better known as what?

Mr. MARTIN. Toots Martin. I reside at 1120 Dean Road, Temperance, Mich. Formerly I lived in Toledo, Ohio. My present occupation is a janitor to our parish church, the Lady of Mount Carmel, in Temperance, Mich. I work there 2 days a week.

The CHAIRMAN. Do you waive counsel?

Mr. MARTIN. I sure do, Mr. Chairman.

The CHAIRMAN. All right, Senator Curtis.

Senator CURTIS. Mr. Martin, were you at one time a member of the UAW?

(At this point Senator Mundt withdrew from the hearing room.)

Mr. MARTIN. I sure was, Mr. Senator. I joined the UAW in 1934. I was a charter member of 8384, Toledo, Ohio. In fact, I was in the union before Dick Gosser or Walter Reuther. The UAW was born in the city of Toledo.

Senator CURTIS. About how many years or until what time did you continue to be a member? About what year did your membership terminate or has it terminated?

Mr. MARTIN. My membership terminated when I was expelled in 1951. I think that is right.

I would like to state for this committee that in regards to the dates and days, all my data and records have been stolen from my car, and I might be a little hazy in regards to that.

(At this point Senator McClellan withdrew from the hearing room.)

Senator CURTIS. But from approximately 1934 to 1951 you were a member of the union?

Mr. MARTIN. That is for sure.

Senator CURTIS. Did you hold any offices in a local union?

Mr. MARTIN. I was an executive board member of local 12. I was a business agent of local 12, and I became an international representative of the UAW.

Senator CURTIS. About when did you become an international representative? What year? I am mindful that you do not have your records.

Mr. MARTIN. When I became an international representative of the UAW, I think that was in the year of 1947 or 1948. But prior to that I was a representative of local 12.

(At this point Senator McClellan entered the hearing room.)

Senator CURTIS. You were an international representative assigned to local 12?

Mr. MARTIN. I was international representative assigned to region 2-B, which is Toledo, Ohio, and vicinity.

Senator CURTIS. That is under Mr. Gosser?

Mr. MARTIN. At that time it was under Mr. Gosser. He became regional director. That is when I went on the international. A short time after he was regional director, I went on the staff of Mr. Gosser.

Senator CURTIS. What plant did you work in prior to becoming a full-time union representative?

Mr. MARTIN. I worked in the Willys-Overland—

The CHAIRMAN. The Chair is very sorry to interrupt, but we are having a rollcall vote in the Senate. We will have to recess for that.

I think it would be hardly worth while to try to come back. You and all other witnesses will be back next Wednesday afternoon at 2 o'clock. We will resume at that time.

(Members of the committee present at the time of the recess: Senators McClellan, Ervin, Goldwater, and Curtis.)

(Whereupon, at 12:15 p.m., the committee recessed, to reconvene at 2 p.m., Wednesday, August 26, 1959.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

TUESDAY, SEPTEMBER 8, 1959

U.S. SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D.C.

The select committee met at 11 a.m., pursuant to Senate Resolution 44, agreed to February 2, 1959, in room 3302, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Karl E. Mundt, Republican, South Dakota; Senator John F. Kennedy, Democrat, Massachusetts; Senator Barry Goldwater, Republican, Arizona; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; P. Kenneth O'Donnell, assistant counsel; Paul J. Tierney, assistant counsel; Paul E. Kamerick, assistant counsel; Robert E. Manuel, assistant counsel; Walter J. Sheridan, investigator; Ruth Y. Watt, chief clerk.

(Members of the select committee present at the convening of the session: Senators McClellan, Mundt, and Curtis.)

The CHAIRMAN. The committee will be in order.

The Chair wishes to make this observation: I do not know how much progress we can make today. We have a parliamentary situation in the Senate that is liable at any time to compel us to recess and report there for a quorum call or for a vote. We will make such progress as we can, and the Chair will further state that it is his purpose insofar as he can do so to expedite these hearings to a conclusion.

I don't know how many more witnesses there are and I would like to ascertain about how many are expected so that we can kind of arrange this and drive through now until we can get through with it.

Senator Curtis, can you give me any idea?

Senator CURTIS. Yes. We just got started with Mr. Martin. I just identified him when we adjourned last time.

Following that we will have Mr. Randolph Gray and Mr. John Bolman, and I believe it will save time if they can be sworn and testify together. There are a considerable number of exhibits.

Following that, we have Mr. Duckworth or Mr. Billheimer, and Mrs. Gray, and Mr. Davidow perhaps will be called.

The CHAIRMAN. Well, that indicates six witnesses, and is that about the number?

Senator CURTIS. As we see it now, and we are as anxious as you to conclude. Mr. Ballard has been called, and Mr. Ballard is the present regional director.

The CHAIRMAN. Now we had someone who was apparently the trustee of the flower fund.

Senator CURTIS. That is Mr. Ballard.

The CHAIRMAN. All right, I just wanted to be sure that we had everybody.

Senator CURTIS. Will Mr. Martin resume the stand?

The CHAIRMAN. We will hear Mr. Rauh for just one moment.

All right, Mr. Rauh.

Mr. RAUH. Mr. Chairman, on Friday about 6:30 I delivered personally a letter to you, and this morning I delivered copies to Senators Mundt and Curtis. I will not attempt to even summarize the letter, but it does demonstrate, it seems to me, beyond peradventure of doubt, that the witness seat here, Mr. Chairman, was used as a vehicle of perjury by both Mr. Speidell and Mr. Motsinger.

Senator CURTIS. I object to that.

The CHAIRMAN. You don't have to object, and the Chair is not going to tolerate those statements. They may testify to something that you think is in error or untrue or false. I am not going to tolerate that sort of comment. The Chair recognizes that you handed him a letter, and I am going to file the letter as an exhibit for reference of the committee.¹

You also handed me a number of affidavits. I do not recall the number, some five or six perhaps. The Chair will examine these affidavits or have a member of the staff examine them, and as they are found to be pertinent to testimony that has been received the Chair will then dispose of them by making them either a part of the record or exhibits thereto.

Now, I say to you that any witness or any other individual has a right to repudiate any testimony that he thinks is derogatory to him by simply making an affidavit, if he desires to do so, and submitting it to the committee for the committee's judgment and determination and disposition to be made of it. He himself has the right to request to be heard personally, but since you have elected to submit the affidavits, I will examine them with a view of letting them be made a part of the record or at least exhibits thereto for reference.

Mr. RAUH. My request about the letter is not that it be made an exhibit. It is that it be typed into the record at this point.

The CHAIRMAN. The Chair has made his ruling.

Is there any objection to the ruling of the Chair?

Senator MUNDT. I support it. In the first place, I have not read the letter, but it is full of factual errors.

Mr. RAUH. I would like to go into those.

The CHAIRMAN. We are not going to have an argument about that. We are going to take testimony, and I am going to proceed with these hearings, gentlemen. Make no mistake about that.

Now, we received the letter, and I am willing to make an exhibit of it so that all who read the record may know the questions raised by it, and the statements made in it.

The affidavits are proof, and the letter is simply argument.

Mr. RAUH. I take it, sir, that we are then, the United Automobile Workers, being denied the right to have our case printed along with the case that Senator Curtis is making. The prosecutor can put it in,

¹ See p. 20195.

but I may not defend, and I am asking to have this printed in with the rest of the hearings as the case of the United Automobile Workers.

The CHAIRMAN. The Chair heard your request, and the Chair is not in the habit of admitting letters in the record as unsworn testimony.

Mr. RAUH. May I then request of the Chair when we, the United Automobile Workers, will have our day in court?

The CHAIRMAN. Just a moment. You are a lawyer, and you know I can't hear the witnesses all at once; don't you?

Mr. RAUH. No, sir; I don't.

The CHAIRMAN. You don't?

Mr. RAUH. No.

The CHAIRMAN. Well, you are simpler than I thought you were. I can't hear all of them at one time.

Mr. RAUH. Putting our case into the transcript at this point, after the Motsinger testimony, is the only fair way to present it, sir.

The CHAIRMAN. The Chair made its ruling, and I am sorry.

Proceed. Call your first witness.

(Pursuant to a later ruling of the Chair,¹ the affidavits were ordered inserted in the record at this point. The affidavits referred to follow:)

STATE OF MICHIGAN

Before Douglas O. Froelich, certified court reporter and notary public, qualified to administer oaths, for the county of Oceana.

AFFIDAVIT OF RUSSELL WHITE, MADE BEFORE DOUGLASS O. FROELICH AND WITNESSED BY ROBERT LIBNER ON THE 25TH DAY OF AUGUST, A.D. 1959, IN OCEANA COUNTY, MICH.

I, Russell White, being duly sworn, do hereby depose and say as follows:

I. That I, Russell White, am 50 years of age and have as my permanent residence 2407 Teel Avenue, Lansing, Mich. That since the 16th of June 1959 I have been totally and completely disabled by virtue of a coronary condition, which attack took place on the aforementioned date in Lansing, Mich., resulting in 19 days hospitalization at the Lansing General Hospital and 14 days of complete confinement to bed at my residence, all under the advice and prescription of Dr. Pudliner.

On the further advice and prescription of Dr. Pudliner, I at the present time am staying at a cottage approximately 5 miles northwest of the village of Hesperia, in the county of Oceana, adjacent to Butternut Lake. I am also advised by Dr. Pudliner not to swim, row a boat, or to remain out of doors in the hot sun for extended periods of time and am unable to make a trip to Washington for the purpose of testifying in person before the Senate Labor Committee, chaired by Senator McClellan, at this time.

II. That the following is a brief summary of my work history with especial attention on my work activities in connection with the UAW and other union affiliations since the year 1936:

I joined local 652 of the UAW in 1936 as an automobile worker in the Oldsmobile factory in Lansing, Mich.

In 1939, I was elected president of said local, which had approximately 6,000 members, and served in that capacity until 1943.

In 1944, I was elected to a position of vice president of the Michigan CIO council. In that capacity I performed work activities encompassing geographically, the entire State of Michigan. I also, in this capacity, served on the Political Action Committee of the CIO, and I also serviced various local CIO unions throughout Michigan without regional international representatives in the near vicinity. I also served during this same period from 1944 until the end of World War II as CIO representative on the War Labor Board and as CIO representative on the Area Manpower Committee and Labor Advisory Committee to the Office of Price Administration.

In 1946, I was reelected president of local 652 at Oldsmobile in Lansing.

From 1947 to 1950, I was assistant regional director for region 1-C, covering the territories of Lansing, Flint, Fenton, Owosso, and Holly, Mich.

Late in the year 1950 and to 1953, I was an organizational staff worker for the UAW, being concerned particularly with the competitive shop staff work.

From 1953 through 1956, I was appointed organizational director for the United Automobile Workers in the Philadelphia, Pa., area.

In 1957, I was reelected president of local 652 Oldsmobile.

In November of 1957, Gov. G. Mennen Williams appointed me to the position of commissioner of labor for the State of Michigan. The Michigan State Senate refused to confirm me and, after serving 3 months, I was replaced by another appointee.

In February of 1958, I returned to my post as president of local 652 at Oldsmobile and served in that capacity until June 1, 1959, when I was defeated in the local union election at that time.

On June 16, 1959, I suffered a heart attack, as described earlier in this affidavit, and have been totally disabled from performing work in any capacity since that time.

III. I have not seen a transcript of the testimony given before the Senate Labor Committee last week but I understand that Mr. J. F. Motsinger, a former associate and acquaintance of mine, has made certain statements and given certain testimony concerning things that I was supposed to have done and said in his presence. My comments on Mr. Motsinger's statements are as follows:

(a) On information and belief, I understand that Mr. Motsinger testified that I instructed him to send in false reports concerning his organization activities to Mr. Richard Gosser, vice president of the UAW. This testimony, if given, is completely false, and in fact, Mr. Motsinger was required to send in reports of his organizational activities once each week and these reports were always to be factual as to the precise work activities he had performed during each week in question. At no time did I instruct Mr. Motsinger to "beef up," falsify, or exaggerate his reports, nor at any time did I request Mr. Motsinger to prepare his reports so that they would conform with the reports I was required to file with Mr. Gosser.

The sending in of false reports exaggerating our organizational activities, or in any way distorting the truth of our efforts in attempting to organize workers, would be impossible inasmuch as Mr. Gosser's staff was personally and continuously in touch with the plants in which we were performing organizational activities and our activities were under continuous and routine surveillance. Mr. Motsinger was very lax about getting on his weekly reports as required and I did have to prod him from time to time to see to it that a report was filed.

(b) On information and belief, I further understand that I was quoted by Mr. Motsinger as having instructed him as follows: "Your job is to organize the people and what you tell them and what you have to do is to organize them and is it." This statement is completely incorrect since it was our unvarying practice never to make claims or promises to prospective members that we did not in good faith attempt to carry forward if our organizational activities were successful. We made it our practice to promise only that the union, if successful in organizing a given plant, would do its very best to secure comparable benefits and contract provisions that we were able to actually effect in other localities. We never attached any guarantees to our statements or claims to prospective union members and indicated only what had been accomplished in other areas where organization was successful in comparable type plants.

We further made it our practice to advise prospective members that the actual negotiations for their union would have to be carried out not by the organizers, but by the local bargaining committee of the newly formed membership with the assistance and direction of the UAW regional staff office.

Due to Mr. Motsinger's conduct, with which we became familiar in previous months, we in fact delegated to him those jobs in connection with organizing wherein he would have the least possible personal connection with prospective union members in new plants and in fact delegated to him such ministerial activities as passing out handbills and running routine errands.

(c) On information and belief, it is my understanding that Mr. Motsinger testified that when I was up for confirmation before the Michigan State Senate committee in connection with my recent appointment by Governor Williams as commissioner of labor, that I withheld information before the Michigan Senate

as to my previous union activities and posts held with the union. One of the first things I did, in fact, when I was appointed by Governor Williams as commissioner of labor, realizing I required confirmation by the Senate, was to distribute to the local daily newspapers in Lansing and also to the senate committee considering my confirmation, a complete list of all the union activities and posts I had held and performed in the past.

Moreover, when interrogated by individual senate committee members, I was requested to detail all my activities and union posts held from the most recent to the oldest post or connection I had with the UAW, and I made full and complete disclosure at that time of all the various posts listed under section numbered II, on pages 1 and 2 of this affidavit.

(d) On information and belief, I understand that Mr. Motsinger further testified that in January of 1955, he had a fist fight with me, as a result of which I "put some lumps on his head." The foregoing statement by Mr. Motsinger is incorrect and the truth of what happened is as follows: Approximately in January of 1955, I had recently delegated to Mr. Motsinger an organizational assignment of a plant in Allentown, Pa.

Mr. Motsinger was very disturbed about being given this assignment because it would require his commuting day to day from Philadelphia to Allentown, which was approximately 1 hour's drive. Without provocation, after being told he would have to perform that assignment, he struck me in the area of my left eye, after which I raised my arms to defend myself only and that ended the aggressive acts on the part of Mr. Motsinger.

Immediately following this incident, which I reported to Mr. Gosser in Detroit, Mr. Motsinger was relieved of all further association and duties with my staff and with the UAW.

Further the deponent sayeth not.

RUSSELL WHITE.

Subscribed and sworn to before me, Douglas O. Froelich, notary public in and for the county of Oceana, State of Michigan, on this 25th day of August, A.D. 1959.

DOUGLAS O. FROELICH,
Notary Public, Oceana County.

My commission expires June 25, 1961.

Dated August 25, 1959.

Witnessed:

ROBERT LIBNER.

AFFIDAVIT

STATE OF MICHIGAN

County of Wayne, ss:

I, Kenneth Bannon, being duly sworn depose and say that:

(1) I am, and for some 12 years have been, the director of the Ford department of the international union, UAW.

(2) I understand that one J. F. Motsinger in recent testimony before a U.S. Senate committee has alleged that it was common knowledge among the entire staff of the international union, UAW, and more particularly, the staff of the Ford department of said union that a strike which occurred in the Ford Motor Co. plant in Canton, Ohio, in 1953 was caused by the international union in order to bring collective pressure on the Ford Motor Co.

(3) There is no truth in any such statement that Motsinger may have made.

(4) The 1953 strike in Canton commenced because of a substantial number of grievances involving production standards and health and safety matters, all strikable grievances under the contract then existing between the Ford Motor Co. and the Union, had accumulated over a period of some 4 or 5 years since the opening of its plant, and in the settlement of some 4 or 5 years reached on this accumulation of grievances, most of which agreement is still reflected in the local working conditions currently existing at the Canton plant at the Ford Motor Co.

Further, deponent sayeth not.

KENNETH BANNON.

Subscribed and sworn to before me this 26th day of August 1959.

[SEAL]

Notary Public, Wayne County, Mich.

My commission expires May 23, 1960.

AFFIDAVIT

STATE OF MICHIGAN

County of Wayne, ss:

1. Dewey McGhee, being duly sworn do depose and say that:

(1) My residence is 8011 Hough Avenue, Cleveland, Ohio, though I am temporarily living at 110 East Hancock Street, Detroit, Mich.

(2) I am currently employed at the Ford Motor Co., River Rouge plant, and I am an active member of local 600, having recently been elected to the general council of that local, and have been a member of local 600 since it first came into existence in 1941, having been active in the initial organization of the Ford Motor Co.

(3) I was an international representative for about 6 months in 1947, and was reappointed as an international representative in 1949 and served continuously in such capacity until 1958 with the exception of about a 15-month period in 1950 and 1951 when I neglected to pay my regular monthly dues to local 600, and, becoming delinquent, I was no longer eligible to serve as an international representative until I had reestablished my continuous good standing membership in local 600 and the international union for a continuous period of at least 1 year, which I did, prior to my reappointment to the staff of the international union in May 1951.

4. Following my layoff from the international union staff in 1959 resulting from an austerity program by the international union, I resumed my employment in the Ford Motor Co. Rouge Plant which employment has continued to date.

5. As an international representative, in the years 1953 and 1954, I was assigned to the international union's competitive shop department in the Cleveland area.

6. During my entire service as an international representative, I made, willingly and voluntarily, contributions to an international union flower fund for the purpose of assisting union members nominated by my caucus for international offices in their campaigns for election to those offices by the international union conventions.

7. At various times while working for the Ford Motor Co. at the Rouge plant and while serving as an international representative, I made willingly and voluntarily, contributions to a local union flower fund for a similar purpose in connection with candidates for local union elective offices nominated by my local union caucus.

8. At no time did anyone ever threaten, coerce, intimidate, or otherwise pressure me with regard to these flower fund contributions at either level.

9. I have read the pages of the transcript of testimony before the U.S. Senate Select Committee on Improper Activities in the Labor or Management Field for August 21, 1959, insofar as that testimony involved me (pp. 559-571) and do hereby state and swear that the statements made therein concerning me, and particularly the statements to the effect that Mr. Walter Madrzykowski or Mr. Wesley Schultz, or both of them, had met with me in Cleveland, Ohio (in the basement of the regional office or any other place) to threaten or in any way talk to me about my contributions to an international union flower fund are untrue and do not reflect, directly or indirectly, any situation of which I have any recollection concerning discussion of the flower fund, or any other subject.

Further, deponent sayeth not.

DEWEY MCGHEE.

Subscribed and sworn to before me this 24th day of August 1959.

[SEAL]

Notary Public, Wayne County, Mich.

My commission expires May 23, 1960.

AFFIDAVIT

STATE OF OHIO,

County of Cuyahoga, ss:

Wesley A. Schultz, being duly sworn, deposes and says that he resides at 14321 Gramatan Avenue, Cleveland, Ohio, and is presently employed at Midland-Ross Corp. as a tool and die maker; that from July 1949, until April of 1959 he was employed by the UAW in the Cleveland and Detroit areas; that his job title while working for the union was coordinator of organization and as such he was responsible for competitive shop staff people in the area.

Affiant says that he knew J. F. Motsinger as a staff organizer during a small part of this time and also had Dewey McGhee under his direction. The affiant knows of no instance in which Dewey McGhee was reprimanded, lectured, censured, or "bawled out" by Walter Madrzykowski, or any other official of the union. Affiant never told J. F. Motsinger that such a conversation had taken place. Affiant does not recall ever asking J. F. Motsinger to come to Cleveland from Canton for any purpose other than the usual staff meetings.

Walter Madrzykowski never interfered with any of my work in directing staff people under my direction and in no instance that I know of went directly to the staff, or any single one of them, for any purpose.

WESLEY A. SCHULTZ.

Sworn to and subscribed to before me this 25th day of August, 1959.

JOHN H. OBER, *Notary Public.*

My commission expires June 26, 1960.

AFFIDAVIT

STATE OF MICHIGAN,

County of St. Clair:

I, Barden L. Young, being duly sworn to depose and say:

1. I reside at 9581 Vaughn, city of Detroit, County of Wayne, State of Michigan. I have been a member of local 174 and of the international union continuously since 1939 and have been a member of the international union staff since 1944.

2. I understand that one, J. F. Motsinger, in recent testimony before a U.S. Senate committee stated that I had a conversation with him in 1952 in which I allegedly discussed smear tactics used by the UAW in political campaigns and in which I more specifically have alleged to have stated, with reference to former U.S. Senator Charles Potter, with reference to his war injuries, "Wait until it gets around to finding out what actually happened, that he was slightly inebriated, and fell off a truck, in a truck accident."

3. I hereby state and swear that I never had any such conversation with Motsinger, that neither in 1952 or any other time did I ever discuss smear tactics or this type of personal attack with regard to any political candidate with Motsinger or anyone else, that I never made any statement to Motsinger or anyone else concerning the war injuries of former Senator Potter, and that to the best of my recollection, no one connected with the UAW at any time during the 1952 political campaign participated in any rumor mongering or smear campaign of any type with reference to former Senator Potter's war injuries.

Further, deponent sayest not.

(Signed) BARDEN L. YOUNG.

Subscribed and sworn to before me this 25th day of August 1959, in the county of St. Clair, State of Michigan.

—————, *Notary.*

My commission expires —————.

AFFIDAVIT

STATE OF NEW YORK,

County of New York, ss:

John J. Dillon, being duly sworn, deposes and says:

I reside at 33-52 Crescent Street, Long Island City, N.Y.

I am educational and citizenship director of region 9A of International Union, United Automobile, Aircraft and Agricultural Implement Workers of America, UAW, AFL-CIO, hereinafter referred to as "International" and have held that position at all times hereinafter mentioned.

It is my understanding that one Jess Motsinger, who was formally employed by the international was in New York City in 1954, from the 23d day of September to the 1st day of October of that year. I am further informed that registration of voters for the purpose of qualifying to vote in the general election of 1954 was held, pursuant to law, from Thursday, September 30 of that year until Saturday, October 9.

In the course of my employment with the international I was generally responsible, in 1954, for administration of efforts exerted by the international and by its region 9A in the geographical area of the latter with respect to the en-

suing general election. From my own recollection and from records now in possession of region 9A, which I have recently had occasion to examine, it is my belief that, in the period prior to the commencement of registration in 1954 the educational and citizenship activities of the international and its region 9A, as those of various civic and educational organizations, were largely, if not wholly, concerned with the education of the voting public in general to the requirement that they register in accord with the provisions of law so as to insure their being allowed to exercise their franchise to elect whatever representatives and to pass upon whatever referendums, if any, they choose to support.

(Signed) JOHN J. DILLON.

Sworn to before me this 31st day of August 1959.

AFFIDAVIT

STATE OF MICHIGAN,
County of Wayne, ss:

I, Charles E. Yaeger, being duly sworn depose and say that:

1. I am the assistant director of the Accounting Department of the International Union, UAW, and its chief accountant, and have held that post since February 14, 1955.

2. Records of said accounting department indicate that one J. F. Motsinger was on the staff of said international union from April 1953 to January 1955.

3. The records of said accounting department further show that the only period when said J. F. Motsinger was assigned to the New York City area was the week from September 23 to October 1, 1954.

Further, deponent sayeth not.

(Signed) CHARLES E. YAEGER.

Subscribed and sworn to before me this 31st day of August, 1959.

Notary Public, Wayne County, Mich.

My commission expires ——.

TESTIMONY OF CYRUS MARTIN—Resumed

The CHAIRMAN. You have been previously sworn?

Mr. MARTIN. Yes, sir.

The CHAIRMAN. You will remain under the same oath.

Proceed.

The Chair admonishes you again that I am going to expedite these hearings, and I am going to get through as quickly as I can.

Senator CURTIS. You testified, Mr. Martin, that your name was Cyrus Martin, and you are also known as Toots Martin?

Mr. MARTIN. That is right.

Senator CURTIS. What is your present employment?

Mr. MARTIN. I work 2 days a week at Our Lady of Mount Carmel Church, as a janitor.

Senator CURTIS. Did you have any other employment in recent times during the school year?

Mr. MARTIN. I drove a school bus at times.

Senator CURTIS. But at the present time, during the summer months, you are the janitor at the church?

Mr. MARTIN. That is my only source of income, Mr. Senator.

Senator CURTIS. Now, you belonged to local 12, or associated with local 12, for some 13 years; were you not?

Mr. MARTIN. I joined the union in 1934, Mr. Senator, and it was then known as local 384, and I was a charter member of that local union.

Senator CURTIS. And you were a steward at Willys-Overland?

Mr. MARTIN. That is right, Mr. Senator.

Senator CURTIS. For about 4 years?

Mr. MARTIN. Yes.

Senator CURTIS. And then you were a local 12 representative with the UAW?

Mr. MARTIN. That is right.

Senator CURTIS. For about 6 years?

Mr. MARTIN. That is right.

Senator CURTIS. And you have also served as international representative?

Mr. MARTIN. That is right.

Senator CURTIS. For a period of 3 years?

Mr. MARTIN. That is right.

Senator CURTIS. Now, during all of this time, when your connection was with local 12, has been the period of time that Richard Gosser has also been associated there; has it not?

Mr. MARTIN. That is right.

Senator CURTIS. Do you recall what position Richard Gosser held when you first came on the scene of local 12?

Mr. MARTIN. He was president of the local union, and then he was elected regional director of region 2-B.

Senator CURTIS. And when you ceased your connection with the union, was he regional director or had he been made vice president?

Mr. MARTIN. He was vice president.

Senator CURTIS. Now, Mr. Martin, during this time did you make any contributions to what they called the flower fund?

Mr. MARTIN. I sure did.

Senator CURTIS. How often did you make them?

Mr. MARTIN. Well, in regard to that, when I was a local 12 officer, I made them every week, and when I received my paycheck from the local leader, I paid in \$5 every week.

When I became an international representative, then it was turned in on my expense sheet which occurred every 2 weeks, and in those cases I turned in \$20 along with my expense sheet.

Senator CURTIS. As an international representative?

Mr. MARTIN. That is right.

Senator CURTIS. When you say it was turned in with your expense sheet, was there anything written on there or do you mean by that that you attached your remittance to it.

Mr. MARTIN. I attached my remittance to it.

(At this point Senator Kennedy entered the hearing room.)

Senator CURTIS. How did you make these payments? Was it by cash or by check?

Mr. MARTIN. In cash.

Senator CURTIS. Were you required to make these payments in order to continue on as an employee of the union?

Mr. MARTIN. I would say I was.

Senator CURTIS. And I hand you what purports to be a receipt here. I ask you to look at it and see if you can identify it.

(The document was handed to the chairman.)

The CHAIRMAN. The Chair presents to you the document referred to by Senator Curtis, which purports to be a receipt. You may examine it and state if you identify it and make any explanation of it.

(The document was handed to the witness.)

The CHAIRMAN. Can you identify that, and is that something that was handed to you or given to you?

Mr. MARTIN. That is right, Mr. Senator. This is a receipt from Howard H. Reddinger, who was at that time secretary of the Toledo Industrial Union Council, which local 12 is affiliated with.

Just what it was for, I just can't recall. In other words, it was for some kind of ticket that I turned in, or some money that I owed, and I just can't recall what it was for, due to the fact that I was faced with so many of these kind of receipts and fines and dues and so forth that it is hard to recall just what this was for.

But it was money that I gave Mr. Reddinger, and he gave me a receipt for it.

The CHAIRMAN. Let me see. I am trying to find out if it has any real force or validity for the purpose of these hearings. You say you don't know whether it is money that you paid back that you borrowed, or what it was for?

Mr. MARTIN. I am sure of that, Mr. Senator.

The CHAIRMAN. What is that?

Mr. MARTIN. It is not for money that I borrowed, this receipt. It was either some money that I owed TIUC or whoever it came under at the time, on the basis of selling tickets or raffle tickets.

The CHAIRMAN. You may have some tickets or turned in the money and got a receipt for it; is that what you are saying?

Mr. MARTIN. In this particular case, yes.

The CHAIRMAN. Would there be anything wrong with it?

Mr. MARTIN. I didn't say there was anything wrong, and the only thing I am saying is—

Senator CURTIS. I will withdraw it.

The CHAIRMAN. Let us not take up time with irrelevant matters.

Senator CURTIS. I was under the impression that this was for another purpose. Momentarily I withdraw it and go on to something else.

The CHAIRMAN. Let the receipt be withdrawn.

Senator CURTIS. Now, Mr. Martin, you stated that for a while your contributions to the flower fund were \$5. Without taking too much time to figure up the exact months, approximately over how long a period of time were your contributions \$5?

Mr. MARTIN. I would say roughly about 3 years, until I became an international representative.

Senator CURTIS. And then it was \$20?

Mr. MARTIN. Then it was \$10 a week instead of \$5.

Senator CURTIS. And \$20 a month?

Mr. MARTIN. \$20 every other week.

Senator CURTIS. Now, it has been stated here in defense of the flower fund that this was money for internal politics in the union, in order that the union officers could get their story across and be re-elected and the like. During some 13 years that you were connected with it, was it your observation that this amount of money was needed and used for that purpose?

Mr. MARTIN. No. I think it was in excess of what we actually needed.

Senator CURTIS. Did you have anything to do, when you were employed by the union, in connection with union elections?

Mr. MARTIN. Yes.

Senator CURTIS. This was when you were assigned to the Willys-Overland plant?

Mr. MARTIN. That is right, Mr. Senator.

Senator CURTIS. Now, when they had an election in local 12 where would the election be held; at the plants?

Mr. MARTIN. It would be held at local 12 hall, which was approximately 2 miles from the plant.

Senator CURTIS. And there would be a number of plants participating?

Mr. MARTIN. There would be a number of plants participating in the election, but on a different basis than the Willys-Overland plant was.

Senator CURTIS. What do you mean by "on a different basis"?

Mr. MARTIN. Well, these other plants either had to go down on their own initiative after hours or whenever they saw fit to go down, whereas at the Willys-Overland they were hauled down during working hours, by the international representatives, and I was one of them, plus the local 12 officers all came down during working hours.

Senator CURTIS. Now, were cars provided to haul Willys-Overland employees down to vote?

Mr. MARTIN. They were, Mr. Senator.

Senator CURTIS. Who provided those?

Mr. MARTIN. The international representatives furnished the cars, and local 12 representatives and officers.

Senator CURTIS. You personally have helped with this work, and you have done some of the driving?

Mr. MARTIN. Yes, sir; on several occasions.

Senator CURTIS. And from your experience, as an international representative, and also as a steward in the plant, do you know that these men went down on company time?

Mr. MARTIN. That is right.

Senator CURTIS. Now, all of this was done under the general direction and supervision of Mr. Gosser; is that correct?

Mr. MARTIN. That is right.

Senator CURTIS. Could any union member in Willys-Overland who wanted to ride, avail themselves of this transportation, or were the men selected?

Mr. MARTIN. Well, the procedure was that steward body of the Willys-Overland used to go around.

Senator CURTIS. The stewards, you mean?

Mr. MARTIN. The steward in the plant would gather the employees at different times of the day, different hours, and take them out to the gate, and then the cars would haul them down, and then they would vote.

Senator CURTIS. Was it your opinion that the purpose of this, and that it did work out that way, was that that always provided enough pro-Gosser votes to carry the election?

Mr. MARTIN. That is right, Mr. Senator.

(Members present at this point in the proceedings were Senators McClellan, Mundt, Kennedy, and Curtis.)

Senator CURTIS. I have read the statement that you made where you stated that at the time there were about 35,000 members in local 12, that the highest you have known of voting were around 3,500. Is that your best estimate at this time?

Mr. MARTIN. To my knowledge, that is right.

Senator CURTIS. That would be about 1 out of 10?

Mr. MARTIN. That would be right.

Senator CURTIS. If someone was not one of the Gosser clique, they would have to provide their own transportation down to vote; is that correct?

Mr. MARTIN. That is correct, Mr. Chairman.

Senator CURTIS. Would they have to either lose pay or go down after hours?

Mr. MARTIN. That is pretty hard to answer. If they could sneak out and the boss didn't see them, I imagine they would get paid.

Senator CURTIS. But in general was that true?

Mr. MARTIN. Here is how they actually operated. The steward body in these departments knew who was going to support who before they would allow them to go down to vote. In other words, bring them down to the gate so the drivers could take them down to vote. They knew who they was taking down there.

Senator CURTIS. Mr. Martin, did they have any sort of goon squad at the Willys Overland plant, or anywhere in local 12?

Mr. MARTIN. They had a flying squadron.

Senator CURTIS. About how large was it?

Mr. MARTIN. Roughly I would say maybe 100 or 150 members.

Senator CURTIS. Were you a member of it?

Mr. MARTIN. I sure was.

Senator CURTIS. What kind of work or acts were they called upon to perform?

Mr. MARTIN. All according to their age and physical ability. Some of them was known as the burial group, another was known as the entertainment group, and parade group, and the flying squadron group. The flying squadron group was the group if there was any trouble at the plants, they was assigned to that particular plant to assist the strikers at that plant.

Senator CURTIS. Did that have anything to do with violence at times?

Mr. MARTIN. It did.

Senator CURTIS. Did it have anything to do with the intimidation, or at least inducing members or others to do certain things?

Mr. MARTIN. It did.

Senator CURTIS. When did you leave the union? First, coming back to these contributions to the flower fund, you stated that you were required to do that. Was there anything ever specifically said to you, or did you receive any information that that had to be done or do you know from your knowledge on the inside that you had to keep those payments in order for you to stay in the clique and hold your job?

Mr. MARTIN. Yes, and I would also state this. If you did not pay the \$20 expenses every 2 weeks, your check was held up until you turned it in, before you could receive your check.

Senator CURTIS. It had to be paid in cash?

Mr. MARTIN. It had to be paid in cash.

Senator CURTIS. Did you ever get an accounting as someone who consistently paid into this flower fund? Did you ever get a statement back from the treasurer or other officer showing how much was received, and what it went for?

Mr. MARTIN. Mr. Senator, it always was a mystery. Nobody that contributed to that fund, unless it was some sort of inner circle, ever knew the amount of money that was collected, or the amount of money that was spent in regard to entertainment or flowers or what have you. We never knew how much was in the treasury. We never knew how much was spent. That is the majority of those that participated in it. There never was an account given in regards to expenditures or assets or anything.

Senator CURTIS. About when did you cease to be with the union?

The CHAIRMAN. Let the Chair interrupt for just one moment, please.
(At this point Senator Goldwater entered the hearing room.)

The CHAIRMAN. The Chair has had a member of the staff examine the affidavits submitted by Mr. Rauh along with his letter of September 4. The Chair finds that the affidavits generally are responsive to testimony that has been received. I will therefore order and direct that they be printed in the record immediately following my opening statement here, this morning, and Mr. Rauh's presentation of these matters. The letter, however, will not be published in the record. The letter will remain on file as an exhibit for reference, but the affidavits will be printed in the record as the Chair has directed.

The letter will be made exhibit No. 23.

(The document referred to was marked "Exhibit No. 23" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Let me identify these affidavits. The affidavits of Russell White, August 25; of Dewey McGhee, of August 25; of John J. Dillon, of August 31; of Barden L. Young, of August 25; Wesley A. Schultz, of August 25; of Kenneth Bannon, of August 26; and Charles E. Yaeger, of August 31. I wanted to identify them.

Senator Kennedy.

Senator KENNEDY. As I understand it, Mr. Joseph Rauh submitted a letter—I have a copy of it here—to the Chairman, suggesting in view of the fact that the number of statements which were made by previous witnesses in this hearing are challenged completely by the affidavits which are now presented, he therefore suggested that before further testimony be heard that these witnesses be submitted to the usual staff investigation. Otherwise, charges are made, and innuendoes drawn and distortions suggested, without having a chance for the members of the committee to know whether this is an actual presentation. These affidavits contradict almost completely many important statements and serious charges made by witnesses who appeared at this hearing at the last session. If we are going to have a continuation of that, and then we are going to get a week later affidavits which say that the statements were untrue, it seems to me that is an unfair way to operate. It is the kind of thing which gets congressional committees in a good deal of disrepute.

The CHAIRMAN. I think everybody knows the circumstances of these hearings. As the situation developed, we started out to hear this testimony or some parts of it in executive session. In the course of planning to hold executive sessions, I think all members of the committee became convinced, or at least I think the vote was unanimous, to throw them into public session, and that is where we are. The Chair is going to be as fair as he can to both sides, and particularly

with respect to any testimony that may be presented refuting testimony given by the witnesses on either side. Under the rule they have a perfect right to request to be heard in person or to submit affidavits. I have permitted, at their request, the affidavits. I had not read them, but I wanted to have them checked by members of the staff familiar with the testimony then developed to see that they are responsive to the testimony. I admitted them as part of the record, part of the proof. Thus you have sworn testimony in conflict.

The Chair has not so announced, but it is the practice of this committee to submit such testimony to the Department of Justice for it to undertake to perform its duty in such cases and circumstances, and that will be done.

Senator KENNEDY. In this case the charges are serious. The affidavits come many days later. The affidavits are in complete contradiction. It seems to me that either the affidavits are lying or the witnesses are lying, or the investigatory work, whoever has been conducting this, Mr. Manuel, has not been done thoroughly. All these things have been brought out in the press. They are 10 years old. They are charges which have been hashed and rehashed. It seemed to me it would have been possible when this investigation was being conducted for Mr. Manuel to determine whether the witnesses were telling an accurate story, as for example how long the previous witness was in New York during the campaign of 1954. Now we have an affidavit that he was there for a week. He gave the impression he was there for 6 or 7 weeks, during the whole campaign. It seems to me it would be possible by investigatory work to know whether these charges made by individuals are accurate. Then if the testimony of those presenting them is that they are accurate, then we ought to hear them.

Senator CURTIS. Mr. Chairman, I shall proceed with the witness. I merely want to say this, that these discrepancies in testimony do spring up. For instance, I recall Mr. Rauh himself stating that a document did not exist and had not existed, and we produced a copy of it here. We will be very happy to have the Justice Department investigate every conflict of testimony here, regardless of where it comes from, or what. Also I think it is fair and I again state in the record that I obtained permission to submit some evidence in executive session to determine whether or not a complete investigation was warranted. I stated that. It is part of the record of the first day's hearings when I was asked what the objective was. The majority members of the committee at the request of Walter Reuther insisted that the hearings be made open. I want to say that these witnesses have all been interrogated. I have talked to them. Mr. Manuel has worked with them at length. They are testifying under oath. I shall not dwell on who is right or who is wrong. We will be very happy to have everybody's testimony checked by the Justice Department.

Senator KENNEDY. Is it possible to have a list of the witnesses who are to come for the remainder?

The CHAIRMAN. I have that.

Senator KENNEDY. Are all these the witnesses that will be called in this investigation?

Senator CURTIS. That is all I know, yes.

Mr. Martin, about when did you terminate your connection with the union?

Mr. MARTIN. Mr. Chairman, do you mean when I was expelled or when I was referred back into the shop?

Senator CURTIS. When you no longer were an employee of the union. You were then sent back to the shop?

Mr. MARTIN. That is right.

Senator CURTIS. About when did that occur?

Mr. MARTIN. I would like to point out again, Mr. Senator, that in regard to these dates and days that all my records were stolen out of my car. I can give you the approximate date and day, but my records were all stolen.

The CHAIRMAN. When were your records stolen?

Mr. MARTIN. What is that?

The CHAIRMAN. When were your records stolen?

Mr. MARTIN. When were they stolen?

The CHAIRMAN. Yes.

Mr. MARTIN. I don't hear too good.

The CHAIRMAN. When were your records stolen?

Mr. MARTIN. I would say about June of 1951.

The CHAIRMAN. Now, then, whatever record you are talking about for this thing in issue is for some date prior to 1951?

Mr. MARTIN. No. What I was speaking about, Mr. Chairman, is when I was taken off the international payroll.

The CHAIRMAN. That was prior to 1951?

Senator CURTIS. That is right.

Mr. MARTIN. That is right.

The CHAIRMAN. You have no record of it?

Mr. MARTIN. That is right.

The CHAIRMAN. What all did you lose in your records, briefly?

Mr. MARTIN. What all did I lose? I lost where I was taken off the international payroll.

The CHAIRMAN. That is one thing.

Mr. MARTIN. And put on the sick list. Then I lost when I went back into the shop—the records when I went back into the shop—I think that was October of 1950 I went back into the shop.

The CHAIRMAN. Those are two things you lost. You have no record of it?

Mr. MARTIN. There was a lot of others I lost, too, records.

The CHAIRMAN. Proceed.

Senator CURTIS. Why were you removed from your union job and put back in the shop?

Mr. MARTIN. I want to get these dates correct here, as close as I can. I was taken off of the full-time payroll of the international union around May or June of 1950. Then in October—August or October of 1950, I was taken off the international payroll in its entirety and put back into the shop of Willys-Overland.

Senator CURTIS. I say why was this done?

Mr. MARTIN. Why was this done?

Senator CURTIS. Yes.

Mr. MARTIN. This was done due to the fact that I went over and seen a couple of fellows by the name of Frank Molik and Lloyd Speidell. Mr. Gosser found that out.

Senator CURTIS. Is that Mr. Speidell who testified here?

Mr. MARTIN. That is right, and Mr. Molik. Both used to work for the union. I went over to their place of business. They wanted to see me.

Senator CURTIS. That was over at Mr. Speidell's tavern?

Mr. MARTIN. And Mr. Molik's tavern at that time.

Senator CURTIS. That displeased Gosser?

Mr. MARTIN. That displeased Gosser very much.

Senator CURTIS. Without going into too much detail what were you seeing them about to cause Gosser to be displeased?

Mr. MARTIN. They wanted to more or less alert me on what is going on in regard to these charges that were preferred against them, and in regard to this hearing conducted against the UAW.

Senator CURTIS. In other words, you had a talk or conference with them about matters within local 12 concerning some matters which were adverse to Gosser, and you ended up by being removed as a union employee; is that right?

Mr. MARTIN. That is right, Mr. Chairman.

Senator CURTIS. Were you first put on the sick list?

Mr. MARTIN. I was first put on the sick list. In other words, that was during the time of the plant strike. We set up a kitchen and a food store in the local union. We was working 12 or 15 hours a day. I just got to a point of exhaustion, that is all. I think they recognized the fact. So they took me off the international payroll as a full time and put me on the sick list. Then I just started to receive my wages and no expenses.

Senator CURTIS. Then you worked for a few months back in the shop after your sick period?

Mr. MARTIN. Yes; but before I answer that, Mr. Senator, I would like to bring this point out. I went over and talked to Mr. Molik and Mr. Speidell. Mr. Gosser got word of it through somebody that was in there, so he called me up to his office. He sent a fellow out to my house the next day after I was over at Mr. Speidell's place, by the name of Francis Reno, who was an international representative at that time. I was not at home, and he informed my wife that Mr. Gosser wanted to see me at 8 o'clock that evening.

I went in to Mr. Gosser's office. I would like to point out that in regards to that, Mr. Gosser called me into his office, I was not on Mr. Gosser's payroll. I remained on the regional director's payroll, Mr. Ballard, and constitutionally Mr. Gosser didn't have no jurisdiction over me in regards to my activities or anything else. Mr. Ballard did, but Mr. Gosser didn't. He saw fit to go to work to take jurisdiction. He called me into his office and asked me, he says, "Martin, what is this I heard about you? I heard you were in Molik's and Speidell's place yesterday." I said I was. I said, "Mr. Billheimer and Mr. Martin came out and said they wanted to enlighten me on a few things that was going on in the local union." He says, "Do you want to play ball with them?" "I don't know whether you call it playing ball with them or not, but if you are going to tell me who I am going to work and talk to in regard to my social life." He said, "If that is the way you feel about it," he says, "when you are physically able to go back in the shop, you go there, and there will be a job available. I am telling you right now, when you go back in there, keep your nose clean, or you will pay the penalty for it."

Then I left his office, and when I left his office he said, "You are not the only one going back to the shop. When you get out of here I am calling Schultz in here and putting him back in the shop, too."

Senator CURTIS. That is Melvin Schultz?

Mr. MARTIN. Melvin Schultz. They never went back to the shop, to my knowledge.

Senator CURTIS. So for some months following your sick spell, you did work in the shop?

Mr. MARTIN. Like I say, about 3 months afterwards I went back to work in the Willys-Overland in the body shop as a welder in department 187 or 186. It is one department or the other. There I took a job as a welder.

Senator CURTIS. How could Mr. Gosser send you back to the shop?

Mr. MARTIN. I think as these hearings proceed everybody on this committee will be aware of the fact why he sent me back to the shop. Mr. Gosser, in my opinion, at that time, he wasn't only vice president. He was regional director, he was president of the Toledo Industrial Council, he was president of local 12. In other words, he ran the whole show.

Senator CURTIS. Whether he held those offices or not, he dictated the policy; is that your statement?

Mr. MARTIN. Repeat that again, Senator.

Senator CURTIS. I say whether or not he held all those offices, he dictated the policies.

Mr. MARTIN. He sure did. The proceedings of this hearing will show that.

Senator CURTIS. Did he also dictate to Willys-Overland what they should do?

Mr. MARTIN. That is right. In other words, he said who was going to be the chairman, the vice chairman, and so on and so forth.

Senator CURTIS. Chairman of what?

Mr. MARTIN. Of the Willys-Overland unit.

Senator CURTIS. He determined that?

Mr. MARTIN. He determined who was going to run and who was not going to run.

Senator CURTIS. Then the voters were hauled to the polls to bring that about?

Mr. MARTIN. That is right.

Senator CURTIS. When he sent you back to work in the plant, were you the object of any harassment or any difficulty there?

(At this point Senator Goldwater withdrew from the hearing room.)

Mr. MARTIN. I was, Mr. Chairman.

Senator CURTIS. Tell us about that.

Mr. MARTIN. Like I said in my previous statement when he told me to go back to the shop, be a good boy and keep my nose clean, I didn't listen to him. I went back to the shop. A lot coordinated around me. We went to work and set up an executive shop committee to run against the administration that was in the plant at that time. We went down to the unit meeting, another Willys-Overland unit, and we put in our nominations in regards to running for office. We also tried to put a motion on the floor that instead of conducting the election at local 12, we should conduct it in the plant. Of course,

with the steward body which had to be present at these meetings in the plant at that time, my motion was voted down. Then we put a motion on the floor that if the meeting was going to be conducted down at local 12, that ballots should be turned over to Briggs Express Agency at night and be brought back next morning. That also was defeated. But we did go to work and set up a committee, and we did run in the shop election. It was the same old procedure. They would haul the people down during working hours. I will say some of ours got down there, too, but a majority of them, I imagine, had to go after work at night, because there was quite a line up at the voting booths because some of the people were voting at night. That is how that happened.

Senator CURTIS. Did you receive any persecution or harassment for being active, for voting procedures that was not in accord what the Gosser crowd wanted. I mean as you worked in the plant?

Mr. MARTIN. Yes. There was a lot of handbills put out against me, condemning me for different reasons, and we also put handbills out in opposition.

Senator CURTIS. Were you ultimately discharged from your job or put out of the union?

Mr. MARTIN. Yes, I was expelled for 99 years.

Senator CURTIS. How did that come about?

Mr. MARTIN. That is what I am here for, Senator. For several years I am trying to find out, what my expulsion was.

The CHAIRMAN. Can't you get it commuted to 90?

Mr. MARTIN. I only got 90 more years to go yet.

Senator CURTIS. You didn't get the treatment that Mr. Zvara did who got to resign?

Mr. MARTIN. No.

Senator CURTIS. You were put out for 99 years.

Mr. MARTIN. I got 99 years.

Senator CURTIS. What incident, if any, happened just prior to your being put out of the union?

Mr. MARTIN. Like I stated, when I went back into the shop to work as a welder, either in department 187 or 189, after I was working in there for 2 or 3 weeks, a fellow was transferred down to my department from another department by the name of Arnold Shenofsky. I imagine he was put down there to keep check on my activities and so forth and so on.

Senator CURTIS. He was a Gosser man?

Mr. MARTIN. He was a Gosser man, that is right.

Senator CURTIS. Go ahead.

Mr. MARTIN. In the time he was down there, he made several remarks to different people in regard to what type of fellow I was, and so forth and so on. Then on New Year's Day, he wrote on a conveyor—this was a belt form conveyor to move from one end of the plant to another—he wrote down something. It is too filthy to repeat. But it was obscene language.

Senator CURTIS. Directed to you?

Mr. MARTIN. That is right. On big letters on this conveyor directed to me.

Senator CURTIS. What did you do?

Mr. MARTIN. In the afternoon, in other words, it was New Year's Day—I want to point this out, because I imagine the question might

be asked—that the employees in Willys-Overland on New Year's afternoon, before the plant would close, would always have a little celebration. In other words, the foreman would bring something to drink, and the employees would bring something to drink and they would all have a few drinks. That was during the time he wrote this on the conveyor. I went up to him then and told him what I thought of this statement he made on the conveyor. In other words, I gave him my opinion what I thought he was. With that I was hit.

Senator CURTIS. By whom?

Mr. MARTIN. By Arnold Shenofsky.

Senator CURTIS. What did he hit you with?

Mr. MARTIN. A broken pop bottle.

The CHAIRMAN. You mean you provoked a fight by calling him names and telling him what you thought of him?

Mr. MARTIN. I can't hear you, Mr. Chairman.

The CHAIRMAN. Did you provoke him to fight by calling him insulting names and telling him what you thought of him?

Mr. MARTIN. No, he provoked the fight. There was no fight to it. I never struck a blow, Mr. Senator. The records of the hearing will show.

The CHAIRMAN. There was fight enough that a blow was struck and you stopped it.

Mr. MARTIN. I stopped it with my face.

The CHAIRMAN. That is what I say.

Mr. MARTIN. I stopped it with my face, a broken beer bottle or a pop bottle.

Senator CURTIS. This was in sequence to what he wrote on the conveyor belt, some language you do not want to repeat here, directed at you?

Mr. MARTIN. That is right.

Senator CURTIS. Then you used some language to him that you also would not want to repeat here?

Mr. MARTIN. That is right.

Senator CURTIS. Then you were hit by Arnold Shenofsky with a pop bottle?

Mr. MARTIN. That is right. He admitted that and pleaded guilty in court and was convicted of it. He was fined \$250.

Senator CURTIS. In the local court?

Mr. MARTIN. He pleaded guilty to the charges and he was fined.

Senator CURTIS. You were present at the time of the hearing?

Mr. MARTIN. That is right. I would like to make this statement. His fine was paid by collections of certain individuals who went around in the shop and collected money from the employees for the defense of Arnold Shenofsky against me.

Senator CURTIS. In the Willys-Overland plant?

Mr. MARTIN. Yes.

Senator CURTIS. Was that collection handled by some of Gosser's men, too?

Mr. MARTIN. I would say that, Mr. Senator, yes.

Senator CURTIS. Now I hand you some pictures and ask you to tell us what those are.

The CHAIRMAN. I hand you three pictures and ask you if you recognize yourself?

(The documents were handed to the witness.)

Mr. MARTIN. Them is the pictures that was taken of me after my release from the hospital which was approximately 5 or 6 days after I was beaten up.

The CHAIRMAN. They will be made exhibit No. 24.

(The photographs referred to were marked "Exhibit No. 24" for reference and may be found in the files of the select committee.)

Senator CURTIS. Will you hold them up so the committee can see them? That hit you right at the bridge of the nose?

Mr. MARTIN. I had two cuts. One down through here and a cut on my forehead and between the eyes.

Senator CURTIS. Do you still have a scar?

Mr. MARTIN. I still carry the scars.

Senator CURTIS. All three pictures are of you showing the same injury but from different angles; is that right?

Mr. MARTIN. That is right, Mr. Senator.

Senator CURTIS. What happened to you so far as your union membership was concerned following this? That is when you were expelled; was it?

Mr. MARTIN. That is right. I received a notice of charges preferred against me that was going to be read off at the next unit meeting of the Willys-Overland unit of local 12. I was at that meeting. All these charges stated that I was suspended for 99 years for conduct unbecoming a member of this union. That covers a multitude of sins and I would like to know. I have been waiting 7 years to find out what specific charges they were that caused my expulsion. "Conduct unbecoming a union member" doesn't mean a thing in itself.

Senator CURTIS. This was for 99 years?

Mr. MARTIN. Ninety-nine years?

Senator CURTIS. That would exclude you at least from all plants where the UAW had contracts in the Toledo area?

Mr. MARTIN. That is right, I lost my livelihood. I lost my insurance. I lost everything.

Senator CURTIS. Your union insurance?

Mr. MARTIN. My insurance with the plant. My union insurance was automatically terminated when I was taken off the international payroll.

The CHAIRMAN. May I inquire if you appealed from that ruling to some higher tribunal in the union?

Mr. MARTIN. I made an appeal to the executive shop committee of the Willys Overland unit which was my first procedure. They concurred with the findings of the trial committee.

Senator CURTIS. Then what did you do? Where did you appeal?

Mr. MARTIN. Then what did I do? I contacted my attorney in regards to that. The attorney was Gilmore Flues, who is now here in Washington as Assistant Secretary of the Treasury. He was my attorney. He told me, "Martin, checking in regards to Shenofsky and the union, Shenofsky himself hasn't got a thing. All he has is his daily pay. The union will fight you all through the courts. You can stand to lose your equity in your home and everything else. It is just one of them cases," he said.

Senator CURTIS. You had been expelled for 99 years.

Mr. MARTIN. That is right.

Senator CURTIS. You appealed to the shop board first.

Mr. MARTIN. That is right.

Senator CURTIS. From there did you appeal or prosecute your case any further?

Mr. MARTIN. No; I figured it would be useless.

Senator CURTIS. You didn't go any further with it because you thought it would be useless?

Mr. MARTIN. Yes; due to the fact of my attorney's statement to me.

Senator CURTIS. Now, Mr. Martin, you know this Arnold Shenofsky?

Mr. MARTIN. I know him real well.

Senator CURTIS. He was the one the court found guilty and fined \$250, and collection was taken to pay his fine. So far as the union is concerned, you were found guilty and put out for 99 years and lost your livelihood and group insurance in the plant? What happened to Shenofsky?

Mr. MARTIN. What happened to Shenofsky? He was also expelled from the Willys-Overland unit the same as I was, but he was taken care of. What I mean by that, he was reemployed in the Spicer plant, and established seniority there. The period of time he worked there, I don't know.

Senator CURTIS. How did he establish seniority?

Mr. MARTIN. By working in the Spicer plant after he left Willys-Overland. Like 30 days you establish seniority, or 60 days. Some plants vary.

Senator CURTIS. With the aid of the union official.

Mr. MARTIN. That is right. In other words, they have a hiring committee there in the Spicer unit, and the hiring committee does the hiring.

Senator CURTIS. Is the hiring committee company people or union people?

Mr. MARTIN. Union people.

Senator CURTIS. He was taken back in the plant and allowed to establish seniority?

Mr. MARTIN. That is right.

Senator CURTIS. Then what happened to him?

Mr. MARTIN. Then after he established seniority—in other words, he had a home base to go back to in case something happened in the international union—then for his reward of doing a good job of cutting me up, they made him an international representative and put him on the payroll. That is what they did to him.

Senator CURTIS. Is he still on the payroll as an international representative?

Mr. MARTIN. So far as I know.

Senator CURTIS. You do know that he stayed on for a number of years.

Mr. MARTIN. I would say that; yes. Two, three years, four years, whatever the time was. The records will show that.

Senator CURTIS. I might say, Mr. Chairman, even though this committee has gone back into the twenties and brought in wrongdoing or alleged wrongdoing in unions in the twenties and early thirties, we have not objected to it, because it all had legislative effect. This admittedly was in the late 1940's and in the early fifties. We submit it here because it has a present current bearing. The same group—Mr.

Gosser is still running things—the people who disagreed with him are put out. They are punished. The people who carry out his bidding are rewarded. Subsequent witnesses will show that this was taken to Mr. Reuther, that he has backed up Mr. Gosser all the way, including as late as our Kohler hearings, and that these injustices continue to go on.

Mr. KENNEDY. Senator, can I speak on that point?

Senator CURTIS. Yes; I want to say I have no criticism of the fact in other cases we have gone back.

Mr. KENNEDY. I might say the only time we have gone back, and I don't know that we have gone back to the 1920's and 1930's, where we have gone back is because there is some event that occurred which we are bringing up to date. This occurred some 10 years ago. The material that we have presented in prior hearings has something of greater significance, in my estimation, than two individuals who have had some drinks getting into a fight in a plant, and one of them hitting the other with a Coke bottle or a bottle of pop. I might say, too, and I would like to get this straightened out, because there has been some reference to the staff of the committee, I have never seen since I have been with committees an investigation run as this investigation is being run.

Senator CURTIS. This is much different. We have had to do this work ourselves without any help. When we started out in executive session, I had my administrative assistant here to help me, and he had to leave the room.

Mr. KENNEDY. I think it is the worst situation I have ever seen since I have been with congressional committees, placing a witness on the stand and not checking his story. There has been some discussion earlier about the fact that they can bring in affidavits and make answers. Where congressional committees are being criticized, this is the reason they are being criticized. The fact that it takes a week or 10 days to give an answer is completely unfair, in our estimation. Where there have been references to the staff of the committee conducting the investigation, I want to make it clear that myself and the people under my direction, and I am under the direction of the chairman, have had nothing to do with this investigation. I think it is a completely intolerable situation and should not be allowed to go on, but this is the decision of the committee. I don't want it assumed that I have had anything whatsoever to do with this investigation.

Senator CURTIS. Very well.

The CHAIRMAN. The Chair will make this statement: The chief counsel has had nothing to do with this investigation; and if anybody wants to criticize, criticize the Chair. I will take the full responsibility. Proceed.

Senator CURTIS. You had something to say in response.

The CHAIRMAN. I may say this: It is a bad situation. It is one of those things that developed. I don't know any way to handle it except to go through with it. I am trying to expedite it. I have my own opinion as to some of the merits of the situation, and also some of the value of testimony that is being heard. But I want to get through with this hearing now. We have come this far, and the committee voted unanimously to put this in public hearings, so we are going through with it. Regular staff members who generally conduct

these investigations have not investigated this particular matter. We are going to hear it from the standpoint of Senator Curtis' presentation. He is making the presentation. Proceed.

Senator CURTIS. Go ahead with your answer.

Mr. MARTIN. I would like to clear to Mr. Kennedy one point where he just said two fellows are drinking. Something like that could happen. I want to inform Mr. Kennedy right now that Mr. Shenofsky, in regard to drinking or smoking, he doesn't participate. So he was strictly sober the day of the occurrence.

Mr. KENNEDY. What about you?

Mr. MARTIN. I had a couple of drinks, but I was also sober, too.

Mr. KENNEDY. I take it back about Mr. Shenofsky. Only you were drinking.

Senator CURTIS. Everybody has a right to his own opinion, but the witness has testified under oath as to his belief that this trouble came about not because of a sudden fight between the two, but because of opposing certain practices going on in his own union. Other witnesses have a right to dispute that, but that is this witness' statement, and I believe it.

What business did you get into or attempt to get into following your expulsion for 99 years and had your livelihood taken away from you?

Mr. MARTIN. In regards to that, after I was expelled for 99 years I seen fit to go to work and try to operate a seafood and poultry place on Phillips Avenue in Toledo, Ohio. That I started right after my expulsion, about a month or so afterward. I continued to operate it for a period of 8 months is all. It did not pan out the way I thought it should, and I had to close my doors because of the competition from chainstores, and I could not compete with them. I was not getting anyplace fast.

Senator CURTIS. Did you attempt to go into the beer business?

Mr. MARTIN. Well, in regards to that, the business agent of the Brewery Drivers Union knew about my situation. He informed a fellow that he wanted to see me. Maybe he could go to work and place me on some kind of a job. I went to see Mr. Hoff, and he took me down to a place. It was a branch of the Drury's, Inc., of South Bend. They had a branch in Toledo, Ohio, on Vann Street.

I went down and met the branch manager, Mr. Bill Graves, and talked to him, and he gave me a job in regard to sales promotion as a shopper in the city of Toledo. My duties were to go around these different places that had beer permits, to go to work to see if we could put beer in the places where the company did not have it.

In other words, I was called a shopper. That is what they called us—shoppers.

The CHAIRMAN. Senator Curtis, how much longer do you think it will take for this witness?

Senator CURTIS. Five minutes more.

The CHAIRMAN. Let us proceed.

Senator CURTIS. Did you run into any Gosser opposition in this beer business?

Mr. MARTIN. I sure did.

Senator CURTIS. What was it?

Mr. MARTIN. After working for the company in Toledo they sent me to Detroit, Mich., and I did the same thing there. Mr. Fairburn,

who was manager of the South Bend plant, called me up on the telephone. "Martin," he said, "you did such a good job in Detroit we got our beer put in a big market." He said, "I want to congratulate you on it." He said, "I would like to have you go to Chicago."

I would hate to leave the family and go to Chicago. I would like to stay in Toledo.

He said, "If you don't care to go out to Toledo, it is all right."

So I went to Toledo and worked there as a beer salesman.

While I was working there as a beer salesman, a fellow by the name of Eddie Stoyer, and Arnold Justin—one was a beer salesman and the other was a beer driver—got a call from local 12. It was toward evening.

(At this point Senator McClellan withdrew from the hearing room.)

Mr. MARTIN. It was to deliver five cases beer at local 12. They put these five cases of beer in the truck and they delivered them to local 12. The fellow that ordered them was a fellow by the name of Al Isalinski or something, some words like that. He was the manager of the bar. He is the one who ordered the beer.

So they brought the beer down there. They brought it inside the bar. Just then Mr. Gosser came down through the bar and was going out to his car, so the driver stated to me—and he seen this Drury's beer there, he told this Al Isalinski to go to work and take that beer out of here, "and if you ever order any beer from Drury's," he says, "you will go out, too."

So they took this beer back. In other words, they didn't sell it. They had to take it back to the brewery. The branch manager heard of that. So he said, "I am going to go over and see Mr. Gosser."

He made an appointment and went over to see Mr. Gosser in regard to the situation. He told them words to this effect: As long as you have Martin on your payroll I will not put any Drury's beer in local 12 bar.

(At this point Senator McClellan entered the hearing room.)

Mr. MARTIN. Mr. Graves came back to the office. On Saturday the salesmen always had a meeting. He submitted that statement in the meeting to Eddie Stoyer, Bill Pfeifer, Arnold Justin, and myself. He said, "I am not going to take Martin off the payroll to put Drury's beer in local 12. Martin is going to stay on the payroll."

That was around October.

Senator CURTIS. Of what year?

Mr. MARTIN. I will have to refer to my employment record. This is a recommendation from Mr. Graves I got here. I was employed from March 17, 1952, to January 30, 1953. So it was around, we will say, September or October of 1952 that he went to see Mr. Gosser, and Mr. Gosser made that statement to him.

Senator CURTIS. Gosser was still after you at that time; if you had anything to do with that beer company, they could not have it in local 12?

Mr. MARTIN. Yes. Then carrying on here in regard to dates. About a week before Christmas Mr. Graves called me in his office, and he said, "Mr. Martin, I want to tell you something. I got a little surprise for you. As a rule, the first year the employees work for us we don't go to work and give them any kind of bonus or Christmas

present. But we are going to give you a \$50 Christmas present for Christmas."

He says, "As of the first of the year we are going to increase your salary either \$10 or \$15 a week as a salesman for the company."

I thanked him and told him I appreciated it very much. The records will show that after that—in other words, I increased their business—Mr. Graves—in the city of Toledo about 30 percent—around January the 10th, or between the 10th and the 15th I received a letter from Mr. Fairburn, who is the sales manager of the Drury's brewery, stating that he was sorry that they had to go to work and eliminate a salesman in the city of Toledo. Due to the fact that I did such a good job for the company they would offer me a job in the southern part of Indiana, but I would have to establish my residence there. In other words, move there with my wife and family.

Senator CURTIS. We have to shorten this up, but is it your opinion that your trouble in carrying on this job is tied into Gosser blocking the sale of that beer in local 12?

Mr. MARTIN. Yes. I bring that out, Mr. Senator.

Senator CURTIS. As briefly as you can.

Mr. MARTIN. Yes. In other words, beer was put in on tap there, both beer and ale, as of January 1, 1952. That was put on January the 1st. Then the 15th I get this notice. As of February the 1st my services were terminated with the company.

But I would also like to state in regard to that—it makes it look kind of obvious why I was discharged. A little while after I was discharged the company went to work and put on two salesmen. In other words, they said they had to eliminate one salesman in the city of Toledo. They put on two salesmen. I don't know his name, but the one was Carl Backus. He was put on a month or so after I was released from the company.

I got a letter from the company where they said they didn't need any extra salesmen in the city of Toledo. But after I left they put on two.

The CHAIRMAN. The Chair is ready to recess at 2 o'clock.

(At this point Senator Mundt withdrew from the hearing room.)

Senator CURTIS. I had three exhibits. There is one item that Mr. Manuel calls to my attention. I am trying to move as fast as I can.

The CHAIRMAN. I have other things to do, too. I am not complaining. But we are all crowded for time here.

Senator CURTIS. I think maybe the Chair's suggestion is the thing to do.

The CHAIRMAN. If you can put them in quick, all right. I will stay another 5 minutes. Let us see if we can finish.

Senator CURTIS. Mr. Martin, you made some statements about the management of local 12 and how it operated and their procedures that were published in the Toledo Blade back in February 1951 and written up by Gene Fisk?

Mr. MARTIN. That is right.

Senator CURTIS. You also circulated some bulletins when you were opposing Gosser in the Willys-Overland plant, did you not?

Mr. MARTIN. Election, that's right.

Senator CURTIS. The things that you stated in those articles and in your circular were true to the best of your knowledge and belief and you so reaffirm under oath today?

Mr. MARTIN. I do so, Mr. Senator.

Senator CURTIS. I would like to have these identified and offered as exhibits only.

The CHAIRMAN. That may be made exhibit in bulk No. 25.

(Documents referred to were marked "Exhibit No. 25" for reference and may be found in the files of the select committee.)

Senator KENNEDY. May I ask a couple of questions when you are finished?

Senator CURTIS. Mr. Manuel has a couple of questions, and then I am through.

The CHAIRMAN. You may proceed.

Mr. MANUEL. Mr. Martin, one of the 28 charges preferred against Mr. Gosser by Mr. Billheimer in June 1950, No. 20, is as follows:

It is alleged that Brother Gosser ordered international representatives, local 12 officers and employees, to perform work on the retirement farm, and that they were further subjected to fines in the event they failed to appear to work.

This is the finding of the international executive board.

There is no supporting evidence that Brother Gosser had ordered anyone to work on the farms. It was reported to the executive board by Brother Gosser that international representatives voluntarily agreed to work on the farm in order to minimize expenses of operating the farm. It was further reported to the international executive board that a number of international representatives had voted voluntarily to contribute \$2.50 a week to hire farm employees.

Were you ever ordered by Mr. Gosser to work on the retirement farm?

Mr. MARTIN. That is right.

Mr. MANUEL. Did you work on the farm?

Mr. MARTIN. That is right.

Mr. MANUEL. Were you fined your day's pay if you did not show up?

Mr. MARTIN. In fact, I didn't show up 2 or 3 days and was fined.

Mr. MANUEL. I hand you a letter purported to be from Mr. Gosser to all international representatives and all full-time officers of local 12. Look at that and see if you can identify it.

The CHAIRMAN. Show the letter to the witness.

(The document was handed to the witness.)

Mr. MANUEL. Do you recognize that, Mr. Martin?

Mr. MARTIN. That is right.

Mr. MANUEL. Attached to that is another sheet. That says, schedule of days the representatives work at the local 12 retirement farm, also showing their attendance record.

Do you see for the week of December 13, 1947?

Mr. MARTIN. I do.

Mr. MANUEL. Do you see there certain people who were present that week and certain who were absent indicated by an X?

Mr. MARTIN. That is right.

Mr. MANUEL. Do you see your name on that under Thursday? Do you see an X there indicating you were absent?

Mr. MARTIN. That is right.

Mr. MANUEL. Turn back to the original letter, please.

The CHAIRMAN. The letter may be made exhibit No. 26 for reference.

(Letter referred to was marked "Exhibit No. 26" for reference and may be found in the files of the select committee.)

Mr. MANUEL. And the statement, too.

The CHAIRMAN. Together with attachments, will be made exhibit 26 and exhibit 26-A.

(Statement referred to was marked "Exhibit No. 26-A" for reference and may be found in the files of the select committee.)

Mr. MANUEL. Looking at the first paragraph—

Attached is a report given to me for the week of December 13 on the absenteeism on the farm. I am saying to all of you now unless you have a written excuse from me ahead of time attached to this sheet regardless of your excuse you might as well stay home, because you are going to pay the penalty fine.

Am I reading correctly?

Mr. MARTIN. Yes.

Mr. MANUEL. I continue:

I am also adding in this letter a statement to my secretary that as of Monday morning of each week and as soon as she can, to have this attached and on my desk for disposal.

The third paragraph:

Might I say here I notice the following were absent: Burny Zawodny with no reasonable excuse; Orville Beamer with no reasonable excuse; Ollie Pecord with no reasonable excuse; Harold Kolbe with no reasonable excuse and Toots Martin, Charles Ballard, Edward Duck, Clayton Rusch and Birdie Rule. When I figure 10 times \$12.50, gives us the sum of \$125 for our flower fund. Boy, we are really going to have a treasury. It is up to you guys, not me. I refuse to grant excuses or accept anything.

Mr. MARTIN. That is a correct reading.

Mr. MANUEL. The names I read in the third paragraph, do they appear on the schedule attached?

Mr. MARTIN. They do.

Mr. MANUEL. Under those absent, do you see Zawodny?

Mr. MARTIN. I do.

Mr. MANUEL. Beamer?

Mr. MARTIN. Yes.

Mr. MANUEL. Pecord?

Mr. MARTIN. Yes.

Mr. MANUEL. Kolbe?

Mr. MARTIN. Yes.

Mr. MANUEL. Dean?

Mr. MARTIN. Yes.

Mr. MANUEL. Martin?

Mr. MARTIN. Yes.

Mr. MANUEL. That is you?

Mr. MARTIN. Yes.

Mr. MANUEL. Ballard; that is the original director?

Mr. MARTIN. Yes.

Mr. MANUEL. He had to go to the farm to work?

Mr. MARTIN. He has to go, too.

Mr. MANUEL. Was he fined if he did not show?

Mr. MARTIN. That I can't answer.

Mr. MANUEL. It obviously was.

Mr. MARTIN. He is supposed to be.

Mr. MANUEL. Duck and Rusch?

Mr. MARTIN. That is right.

Mr. MANUEL. And Rule?

Mr. MARTIN. Yes.

Mr. MANUEL. That is now in evidence.

The finding of the international executive board says there is no supporting evidence that Brother Gosser has ordered anyone to work on the farms.

Mr. MARTIN. That is right.

Mr. MANUEL. Here it is.

Mr. MARTIN. Yes.

Mr. MANUEL. On their own files.

Mr. MARTIN. His name is signed.

Senator KENNEDY. Did you receive any compensation for your articles for the Toledo Blade?

Mr. MARTIN. For my articles in the Toledo Blade?

Senator KENNEDY. The ones you wrote.

Mr. MARTIN. For the articles in the Toledo Blade I received no compensation.

Senator KENNEDY. Did you ever get any compensation from them?

Mr. MARTIN. I got compensation from them. Not for that.

Senator KENNEDY. What did you get the compensation for?

Mr. MARTIN. I can explain that. In regards to the statement that I made to the Toledo Blade regarding the election of local 12 officers, I informed the Blade through one of the fellows that they should send a fellow out by giving him a voluntary statement. It wouldn't cost them and I would not ask a penny in regards to giving a statement. They sent this fellow out by the name of Gene Fisk and I gave him a full statement in regard to that. I didn't receive any money. When I left the Willys-Overland and started in this poultry and fish market the records will show that I wasn't making any money.

I went up to Mr. Block, and asked him if he could assist me due to the fact that I owed a payment on my house and I owed 2 months' rent at the fish market. My two boys were in service at that time. I was not getting no financial help from them.

I asked him if he could assist me. He said, "Did you ever get any money for the story that you put in the Toledo Blade?"

I said, "No, I never received a penny." I told Mr. Fisk at the time I was not interested in any money. I said I was going to give my statement voluntarily.

Then he went to work and he gave me a check. I forgot what it was, for \$200 or \$250. That was 6 or 8 months after I made the statement to the Blade and that was on an entirely different basis. That is how I received the money.

Senator KENNEDY. Why would he give it to you?

Mr. MARTIN. He was liberal. A lot said I should get paid for the statement I made to the Blade, but I was not interested in the money.

Senator KENNEDY. Did you ever receive any compensation from the Committee To Save Toledo Payrolls?

Mr. MARTIN. No; never.

Senator KENNEDY. The only money you received was the \$250 from Mr. Block?

(At this point Senator Goldwater entered the hearing room.)

Mr. MARTIN. \$200 or \$250. I don't recall. I wouldn't say. I did receive some money.

Senator KENNEDY. Did you appear at the meeting at which you were expelled from the union?

Mr. MARTIN. I did.

Senator KENNEDY. You did?

Mr. MARTIN. Yes.

Senator KENNEDY. Where was the meeting held?

Mr. MARTIN. Scott High School Auditorium. It is near local 12.

Senator KENNEDY. They had a hearing where you were present?

Mr. MARTIN. Yes.

Senator KENNEDY. That is where they expelled you or the other worker?

Mr. MARTIN. They didn't expel anybody else. They just expelled me.

Senator KENNEDY. I thought they expelled the fellow who got in a fight with you?

Mr. MARTIN. No.

Senator KENNEDY. Did the company fire him?

Mr. MARTIN. I imagine they did.

Senator KENNEDY. I thought you said that you and Arnold Shenofsky were expelled for fighting?

Mr. MARTIN. Fired; discharged.

Senator KENNEDY. The company discharged?

Mr. MARTIN. The company.

Senator KENNEDY. I see. The union expelled you. Did they expel you for the fight or for other things?

Mr. MARTIN. That is what I am trying to find out.

Senator KENNEDY. What did they tell you?

Mr. MARTIN. In other words, they said "conduct unbecoming a union member." Mr. Ballard is in the room. He can answer why I was expelled. I don't know. That is what I am trying to find out.

Senator KENNEDY. The impression was given in the interrogation that you were expelled because of the fight. Was that the reason?

Mr. MARTIN. Political fight. I wouldn't call that a political fight.

Senator KENNEDY. It wasn't a fist fight?

Mr. MARTIN. I never struck a blow myself. I didn't have a chance.

Senator KENNEDY. You were expelled for other things, but you don't know what?

Mr. MARTIN. I have been trying to find out. I have been waiting 7 years to find out.

Senator KENNEDY. You were expelled at the meeting at the high school. Did you ever appeal that to the union?

Mr. MARTIN. I mentioned in my statement I took it up with the executive shop committee.

Senator KENNEDY. You mean after the high school meeting you appealed to the union?

Mr. MARTIN. To the executive shop committee of Willys-Overland Union.

Senator KENNEDY. Have you a copy of that appeal?

Mr. MARTIN. I have not.

Senator KENNEDY. It was never in writing?

Mr. MARTIN. I haven't got no copy at all. You mean in regards to my appeal?

Senator KENNEDY. That is right.

Mr. MARTIN. There was a copy drawn up by my attorney. That is on the basis that we had the meeting with the executive shop committee.

Senator KENNEDY. Thank you, Mr. Chairman.

Mr. RAUH. Mr. Chairman, the UAW has a number of questions. We also have the Labor Board things that I think you ought to interrogate Mr. Martin on. He went to the Labor Board. The Labor Board found against him and found he was involved in an alcoholic brawl there. It seems to me he ought to be interrogated.

The CHAIRMAN. Mr. Rauh, during the recess period prepare the questions that you think should be asked on the basis of these and submit them to me when we reconvene. I don't have time to prepare them.

The committee will stand in recess until 2 o'clock.

(Members of the committee present at the taking of the recess were Senators McClellan, Mundt, Kennedy, and Goldwater.)

(Whereupon, at 12:30 p.m., the select committee recessed, to reconvene at 2 p.m., the same day.)

AFTERNOON SESSION

The select committee reconvened at 2 p.m., in room 3302, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at the convening of the session: Senators McClellan and Curtis.)

The CHAIRMAN. Mr. Martin, will you come back on the stand, please.

TESTIMONY OF CYRUS MARTIN—Resumed

The CHAIRMAN. Mr. Martin, under the rules of the committee, questions may be submitted to the Chair and to the committee to be asked of witnesses, and the counsel for the union has submitted some questions here that may be proper to ask you. I shall ask you these questions. If I decide that any of them are not pertinent or not relevant as proper cross-examination or proper interrogation, I will rule them out. I have not had time to study them, but we can start with them and we will see.

These questions are being asked you at the request of counsel for the UAW.

The first question is: Isn't it true that from 1949 through the middle of 1951, the Toledo Blade was injecting itself into UAW affairs, and in 1951 was attempting to secure the political defeat within the union of its incumbent officers in the Toledo area?

Mr. MARTIN. Well, in answer to that, Mr. Senator, the only thing I can say is that the records of the Toledo Blade will prove that. I just cannot recall.

The CHAIRMAN. You would probably remember now whether the Toledo Blade was interesting itself in UAW affairs in 1951 and was attempting to secure the political defeat of union officers in the Toledo area.

Do you recall that, or do you say that that is true or not true?

Mr. MARTIN. I just cannot answer that that way, Mr. Chairman.

The CHAIRMAN. Or is there any comment you want to make on it?

Mr. MARTIN. If it so states in the Toledo Blade, then it must be true.

The CHAIRMAN. I beg your pardon?

Mr. MARTIN. If it so states in the Toledo Blade, it must be true.

The CHAIRMAN. I don't know what it states in the Toledo Blade. This isn't stated that way. The question is: Isn't it true, or don't you know it of your knowledge, that from 1949 through the middle of 1951, the Toledo Blade, which I assume is a newspaper publication—is that right?

Mr. MARTIN. I cannot comment on that either way, Mr. Chairman.

The CHAIRMAN. Do you know whether this paper that you wrote articles for was injecting itself into the political affairs of the union in trying to bring about the defeat of some of its officers?

Mr. MARTIN. On that question I would say "Yes."

The CHAIRMAN. I think that that is the same question I have been asking you.

Do you say that the Toledo Blade was meddling, so to speak, in the union's affairs with respect to the election of its officers?

Mr. MARTIN. Let me ask you this question, Mr. Chairman: Do you think that I should be harassed here by some members of the committee on this basis? I was here to go to work and testify in regards to the activities of local 12, and Mr. Richard Gosser. I don't think that I am on trial, Mr. Chairman, and I think that these questions are besides the point.

The CHAIRMAN. The Chair is not particularly interested in just what you think about it. I think that the question is quite proper.

You wrote articles for the Toledo Blade, and so you have testified. Now, the question is here: Was the Toledo Blade injecting itself into the union affairs and undertaking to bring about the defeat of union officials in the Toledo area? You have testified and you are subject to being cross-examined.

Mr. MARTIN. Yes. In regards to that, the only statement I ever made was in regard to the way of the conduction of the local union, the way it was being conducted.

The CHAIRMAN. It did publish articles about that?

Mr. MARTIN. That is all.

The CHAIRMAN. Did it seek to bring about the defeat of the incumbent officers of the local or in that local area?

Mr. MARTIN. It wasn't in regard to trying to bring defeat to the incumbent officers of the local, but it was in regard to giving the people and the workers of the city of Toledo a true picture in regard to the way the local union was functioning. That was my intent of putting it in the paper.

The CHAIRMAN. I am not talking about that.

Mr. MARTIN. It was not trying to defeat anybody or destroy the labor movement in any way, shape, or form.

The CHAIRMAN. You say it was not your intent. The question is directed about the publication itself.

During this period of time, did you write some articles for the Toledo Blade and later receive some money from its publisher? I think that you testified about that.

Mr. MARTIN. I answered that.

The CHAIRMAN. That you did write some articles and later you received \$200 or \$250 from the publisher; is that correct?

Mr. MARTIN. That is correct. That is what I testified to this morning, but it wasn't in regard to the article I wrote.

The CHAIRMAN. But the \$200 or \$250 was not payment for the articles you wrote?

Mr. MARTIN. That is right.

The CHAIRMAN. Was it loaned to you?

Mr. MARTIN. That is right.

The CHAIRMAN. Did you repay it?

Mr. MARTIN. No, I did not.

The CHAIRMAN. Then it was a gift?

Mr. MARTIN. It was a gift; that is right.

The CHAIRMAN. You wrote the articles as a gift for the paper, and later the paper, or publisher, gave you \$200 or \$250, as a gift?

Mr. MARTIN. That is right.

The CHAIRMAN. Now, in your article, Mr. Martin, you accuse the Willys people of assisting Mr. Gosser. Is that correct?

Mr. MARTIN. Well, I would have to read it to answer that. I would say this: They didn't hinder him, due to the fact the company was well aware of the fact of what was going on there. All during the day, they would haul them back and forth from the local union to the plant, and the administration building was right on the street where these employees were hauled down to the local union, and they could see it.

The CHAIRMAN. The question is: Do you say now or did you say then, that the Willys people—and I assume that is the company—the company people were helping or assisting Mr. Gosser?

Mr. MARTIN. I would answer that that way, they sure weren't hindering him, because they let the employees go back and forth down to the local union to vote.

The CHAIRMAN. From what you observed, you believe they were helping him; is that correct?

Mr. MARTIN. Yes, I would say "Yes."

And also I would like to add to that, in future testimony that part of it will be brought out.

The CHAIRMAN. What is that?

Mr. MARTIN. In future testimony before this committee, that part will be brought out, for further clarification on it.

The CHAIRMAN. All right. Didn't you file an unfair labor charge in 1951 with the National Labor Relations Board claiming that the company and the union combined to discriminate against you in your discharge? Did you file such a charge with the National Labor Relations Board in 1951?

Mr. MARTIN. I think that is correct, Mr. Chairman. I think that is correct.

Senator CURTIS. May I ask a question for clarification there?

Does this National Labor Relations Board proceeding refer to his discharge as an employee of the Willys-Overland, or does it have anything to do with his expulsion from the union for 99 years?

The CHAIRMAN. You may answer that.

Senator CURTIS. Does this National Labor Relations Board matter refer to your job at Willys-Overland?

Mr. MARTIN. That is right.

Senator CURTIS. To the best of your recollection, it did not relate to your expulsion from the union for 99 years?

Mr. MARTIN. No.

The CHAIRMAN. All right.

No. 5: Didn't the regional director of the NLRB dismiss your charges?

Mr. MARTIN. I think there is a copy of that, to clarify that, Mr. Chairman.

The CHAIRMAN. Would you recall whether he dismissed them or not?

Senator CURTIS. This was found during the recess, which is documentary evidence.

(A document was handed to the chairman.)

The CHAIRMAN. I hand you here a letter from Ellison D. Smith, Jr., Associate General Counsel for the General Counsel, dated February 19, 1952, addressed to you, and I will ask you to examine this letter and state if it is, or if you identify it as the original letter.

(The document was handed to the witness.)

Mr. MARTIN. I acknowledge it as such, Mr. Chairman.

The CHAIRMAN. All right. If you want to keep the original, you may have it returned to you for your file, but let it be printed in the record at this point, and then the original may be returned to you.

(The letter referred to follows:)

OFFICE OF THE GENERAL COUNSEL,
NATIONAL LABOR RELATIONS BOARD,
Washington, D.C., February 19, 1952.

Re: Willys Overland Motors, Inc.

Case No. 8-CA-537.

Mr. CYRUS MARTIN,
Temperance, Mich.

DEAR SIR: Your appeal from the regional director's refusal to issue a complaint in the above-captioned case, charging a violation of section 8 (3) and (1) of the National Labor Relations Act, has been duly considered by the General Counsel.

The General Counsel sustains the ruling of the regional director. Like the regional director, the General Counsel concludes that there is insufficient evidence to warrant further proceedings.

Very truly yours,

ELLISON D. SMITH, Jr.,
Associate General Counsel
(For the General Counsel).

Carbon copy to:

A. Gilmore Flues, attorney, 1507 Toledo Trust Building, Toledo 4, Ohio
Willys-Overland Motors, Inc., Wolcott Boulevard, Toledo, Ohio

Charles J. Smith, attorney, 240 Huron Street, Toledo, Ohio

UAW-CIO, Local 12, 425 Winthrop Street, Toledo 10, Ohio

John A. Hull, Jr., Director, 8th Region, Cleveland, Ohio

Registered mail return receipt requested.

The CHAIRMAN. Didn't the General Counsel of the NLRB uphold the dismissal? I believe the letter shows that it did.

Mr. MARTIN. That is right.

The CHAIRMAN. Now, I read you the company's statement on the discharge and ask is it correct? I will read you excerpts from it:

On December 29, 1950, which was the Friday before New Year's Day, Cyrus Martin was employed in department 187 along with one Arnold Shenofsky and others. The scheduled shutdown of this department was set for 4:30 p.m. that day, but because some of the employees in the department commenced slowing down production in anticipation of the long holiday weekend the foreman of the department announced shortly after 2 p.m. that the department would shut down at 2:30 p.m. and the employees would be sent home.

About 2 p.m. or earlier Mr. Martin and others in the department commenced drinking liquor brought into the department in violation of company rules. Mr. Martin admitted taking two or three drinks while still at his work station.

About 2:30 p.m. Arnold Shenofsky wrote a statement with chalk on the belt of the conveyor which passed between the working stations of the two men making obscene references to Martin's character.

Cyrus Martin then left his station, which was some distance removed from Shenofsky's working station, and approached Shenofsky near the place where Shenofsky's working station was located, and made verbal obscene references to Shenofsky's character, whereupon a fight occurred between the two men, and both suffered some injury.

Investigation disclosed to the company's satisfaction that both men were at fault in instigating the fight, and to maintain future discipline in the department, as well as throughout the entire plant, the company discharged both the employees and has not rehired either of them.

This letter is dated July 6, 1951.

The discharge was purely and simply for disciplinary reasons and had nothing whatever to do with any pro- or anti-union activities on the part of either employee. It is the contention of Willys-Overland Motors, Inc., that the charge filed by Cyrus Martin is without substance or foundation, and the company furthermore contends—

Senator CURTIS. What are you reading from now? Is that Mr. Rauh's letter?

The CHAIRMAN. This is a letter from Ritter & Boesel, 240 Huron Street, Toledo, Ohio, attorneys for Willys-Overland Motors, Inc., to Mr. John Vincek, field examiner, National Labor Relations Board, Eighth Region, 9 Chester Building, Cleveland 14, Ohio, and it is in regards to Willys-Overland Motors, Inc., 8-CA-357, and I was going to make this an exhibit, and I was just trying to read the pertinent parts.

It is the contention of Willys-Overland Motors, Inc., that the charge filed by Cyrus Martin is without substance or foundation, and the company furthermore contends that it must maintain complete control of the behavior of its employees on company premises and that it retains the right to discipline employees in whatever manner it sees fit and proper wherever necessary.

Now, this was sworn to apparently, and it is in blank, and I don't know who swore to it, and possibly one of the attorneys. I will ask you to examine this photostatic copy and state if you identify it.

Mr. MARTIN. I would like to know who swore to that statement also, Seantor McClellan, due to the fact that the majority of those statements are false, and I can produce the witness in regard to it.

The CHAIRMAN. That is all I am asking. The purpose of this would be to show the contention that the company made to the NLRB.

Do you recall that it did make those contentions?

Mr. MARTIN. It is the first I know of it right now, and I never saw a copy of it and I never was informed that such a letter was sent.

The CHAIRMAN. Then you can't testify to it, and you say you don't know anything about it.

Mr. MARTIN. It is the first I know of it is right now.

The CHAIRMAN. All right.

Mr. MARTIN. I sure wish I had a copy of it at the time.

The CHAIRMAN. Let me see if you know about this one, then.

Here is a letter, a photostatic copy of a letter, dated December 18, 1951, which is subsequent to this one that I read to you here, dated December 18, 1951, addressed to you from John A. Hull, Jr., regional director, and it reads:

The above-captioned case charging a violation of section 8 of the National Labor Relations Act as amended, has been carefully investigated and considered. It does not appear that further proceedings are warranted inasmuch as

there is insufficient evidence of violation. I am, therefore, refusing to issue complaint in this matter.

Then it goes on, and I will ask you to examine this photostatic copy of the letter which appears to have been addressed to you, and state if you received that letter.

(The document was handed to the witness.)

(At this point Senator Goldwater entered the hearing room.)

Mr. MARTIN. Yes, Senator McClellan, I received a copy of this.

The CHAIRMAN. All right. That may be made exhibit 27.

(Letter referred to was marked "Exhibit No. 27" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Now, I hand you here a photostatic copy of a form headed "Charge Against Employer," which is apparently your charge or improper labor practices against the Willys-Overland Motors Co., and it bears your signature, and I will ask you to examine it, together with copies of letters attached, one from John A. Hull, Jr., addressed to Willys-Overland, dated May 31, 1951, and another from Milton McCreery, secretary, to Mr. John A. Hull, Jr., regional director, and I will ask you to examine those and state if you recognize them.

(The documents were handed to the witness.)

(Members of the committee present at this point: Senators McClellan, Curtis, and Goldwater.)

The CHAIRMAN. First, look at the improper labor practice charge. Look at the bottom one first, and see if you identify it and your signature as being a copy of the charge that you filed against the company.

Mr. MARTIN. That is right.

The CHAIRMAN. It may be made exhibit No. 28.

(The document referred to was marked "Exhibit No. 28" for reference and may be found in the files of the select committee.)

The CHAIRMAN. See if you can identify the letters attached thereto.

Mr. MARTIN. I do, Senator.

The CHAIRMAN. They may be made exhibits 28-A and B, respectively, in the order of their date.

(The letters referred to were marked "Exhibits Nos. 28-A and 28-B" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Here is another letter. I don't know whether you can identify this or not. It is from Ritter & Boesel, attorneys for Willys-Overland Co., to John Vincek. I don't know whether you can identify it. If you can't just say so.

(The document was handed to the witness.)

The CHAIRMAN. Can you identify it?

Mr. MARTIN. It is the first time I have seen it.

The CHAIRMAN. Clerk, will you place it with this letter of July 6 which is unidentified and hold those separately for the present?

Mr. MARTIN. In one of these communications the company says "both suffered some injury," referring to you and this man you had the fight with. Did you hit Shenofsky? I thought you testified this morning you did not. Did you hit him at all?

Mr. MARTIN. I didn't have a chance to strike him one blow, Mr. Senator. As soon as it happened, he ran out of the building. He never ran his timecard or anything. I laid on the floor, and the company ambulance came and picked me up and took me to the hospital.

The CHAIRMAN. Is he a larger man or smaller? Did he hit you with some instrument?

Mr. MARTIN. Yes. He admitted that in court. He pleaded guilty to the charges.

The CHAIRMAN. What?

Mr. MARTIN. He admitted in court. He pleaded guilty to the charge.

The CHAIRMAN. I understand. I interpreted your testimony this morning to mean that you didn't hit him at all.

Mr. MARTIN. That is right.

The CHAIRMAN. The company says here both of you sustained some injury.

Mr. MARTIN. That is why I raised the question about the copy.

The CHAIRMAN. You don't think he sustained any?

Mr. MARTIN. No.

The CHAIRMAN. You didn't hit him?

Mr. MARTIN. Positively not.

The CHAIRMAN. All right, we have that. The question is in view of the company's contention that you both had a fight, you say you never knew why you were expelled. Did you state this morning you didn't know why you were expelled from the union and you are still trying to find out?

Mr. MARTIN. That is right, Mr. Chairman.

The CHAIRMAN. The question presented here, which I am asking you by request, wouldn't you concede that helping the Blade—that is this paper—and the other Toledo employers was ground for expulsion? In other words, you were helping the Blade, which it is contended was trying to inject itself into union politics, and other employers. Was that not grounds for your expulsion? That is the question. You can answer as you will.

Mr. MARTIN. I will answer it this way.

Senator CURTIS. This is Mr. Rauh's question?

The CHAIRMAN. Yes.

Mr. MARTIN. I don't think any time when an individual makes a statement and tells the truth, and nothing but the truth, that he should be expelled from any organization.

The CHAIRMAN. I don't know what the truth is. The truth can be bad as well as good. I don't know in this case. Under the UAW constitution I understand a member is entitled (a) to receive charges by registered mail ahead of a meeting when tried, when trial committee is elected; (b) have counsel of his own choosing at all stages; (c) speak in his own defense at the meeting where the trial committee reports; (d) appeal in sequence to the local 12 international executive board and convention.

Mr. Martin, which of these did you do? First I will ask you did you attend the trial?

Mr. MARTIN. Did I attend the trial?

The CHAIRMAN. Yes; your trial.

Mr. MARTIN. No.

The CHAIRMAN. You did not attend your trial?

Mr. MARTIN. The only thing I knew these charges were preferred against me at a local union meeting. I was informed the charges would be preferred against me at a unit meeting of the Willys-Overland unit.

The CHAIRMAN. Did you receive charges by registered mail?

Mr. MARTIN. I can't recall that, Senator. Maybe I did and maybe I didn't.

The CHAIRMAN. As this question is prepared the constitution requires them in order to try you to see that you receive charges by registered mail ahead of meeting where trial committee is elected. Did you receive that?

Mr. MARTIN. I think there is a copy up there. I have a copy of that. I recall what you are referring to.

The CHAIRMAN. Did you receive that?

Mr. MARTIN. Yes.

The CHAIRMAN. Did you have counsel of your own choosing at all stages?

Mr. MARTIN. No; I just went to the unit meeting on my own.

The CHAIRMAN. You did not have counsel?

Mr. MARTIN. No.

The CHAIRMAN. You were not denied counsel?

Mr. MARTIN. I was not denied counsel, and I didn't have any.

The CHAIRMAN. You were not denied any. You just didn't have any. Were you able to speak in your own defense at that meeting?

Mr. MARTIN. I will answer that this way. I was not able to speak because as soon as the charges was read, the next order of business was put on the floor and I recall it very definitely. One fellow by the name of Joe Valcek got up on the floor and said, "Let us hear Martin's side of the story," and he was declared out of order, and the next order of business was put before the membership.

The CHAIRMAN. Were you given an opportunity to speak in your own defense before any vote was taken on the charges against you?

Mr. MARTIN. No.

The CHAIRMAN. You say you were denied that right?

Mr. MARTIN. That is right. They read the charges and somebody got up on the floor and made a motion to accept them.

The CHAIRMAN. Did you attempt to get the floor to speak and answer the charges?

Mr. MARTIN. I don't remember, Mr. Senator. I don't think I did at the time because I made the statement that I would go to work and take it up individually, and based on that I would like to bring this out. I wrote a letter to Walter Reuther, a registered letter, requesting a meeting with him and I was replied by a secretary that Mr. Walter Reuther was not available at the present time and therefore he could not meet with me. I never did receive any information from Walter Reuther in regards to a meeting with him.

The CHAIRMAN. Do these questions set forth as to what you were entitled under the constitution, does it set forth correctly your rights as I have read them?

Mr. MARTIN. That would be right.

The CHAIRMAN. That would be right?

Mr. MARTIN. Yes.

The CHAIRMAN. Then you did not undertake to avail yourself of having counsel present?

Mr. MARTIN. No; because I was informed by my attorney, Gilmore Flues, that in regards to that it would be useless for me to fight them. They have money behind them. You haven't got the money to go to work and fight the case. Therefore you would wind up losing your

equity in your home and everything. The best thing you can do is to get a judgment against Shenofsky and all he has is a daily pay check, and it would cost you a lot of money to fight the case. I realized that, and therefore that is why I didn't proceed along them lines.

The CHAIRMAN. Was it for that same reason that you did not undertake to defend yourself at the meeting by asking for the floor and speaking in your own defense?

Mr. MARTIN. Would you please repeat that?

The CHAIRMAN. Was it for the same reason, that you thought it was useless, on the advice of your counsel, that you did not undertake to get the floor at the meeting after the charges were read against you and make a speech or speak in behalf of your own defense?

Mr. MARTIN. I get your question, Senator. I will answer it this way. Regardless of what I had said, they went to work and uphold the findings of the trial committee and suspend me for 99 years because the meeting was stacked with all the stewards from the Willys-Overland. In other words, they vote as is recommended by the executive shop committee or whoever might be involved at the meeting. Regardless of what I said in my behalf, they would still go to work and expell me for 99 years at that meeting. I had been in the labor movement, and at Willys-Overland long enough to know that is how it operates.

The CHAIRMAN. I am not saying that is the way it is.

Mr. MARTIN. I realize that.

The CHAIRMAN. I am trying to get the record straight that you did not actually undertake to defend yourself at that meeting.

Mr. MARTIN. That is right. Like I told you, this Joe Valcek wanted to hear my side, and then they moved the next order of business.

The CHAIRMAN. Then someone did ask that you be heard, and instead of granting that request, they moved on to the next order of business.

Mr. MARTIN. That is right.

The CHAIRMAN. Did you protest that action then and ask to be heard? Did you, yourself?

Mr. MARTIN. No.

The CHAIRMAN. I think I have covered the questions. There are two letters here that are not identified. Later if they are important we can find someone to identify them.

Mr. MARTIN. Senator, I would like to point out one thing with regards to when Mr. Motsinger was testifying that counsel for the UAW tried to belittle him on the basis that a question was asked by you to Mr. Motsinger if he had ever organized a plant. The answer to that was "No." In other words, they were trying to belittle the fellow. That question is not going to be asked of me today because I have the answer. I organized 11 plants in the city of Toledo of the UAW all by myself. So what I am getting at it doesn't hurt what kind of organizer you are or what kind of work you are doing, if they want to put a hatchet job on you, they will put it on, if you don't stay in line.

The CHAIRMAN. You are allowed to make that statement.

Senator CURTIS. I would like to point out, Mr. Chairman, that the point of presenting this is not that Willys-Overland discharged both of these men. The point is that the man who was arrested, plead

guilty, and fined by the courts was found another job and approved for the job by union officials who had the authority over the hiring and was later made an international representative, and that Mr. Martin here was expelled from the union for 99 years. I would like to have Mr. Martin examine this letter.

The CHAIRMAN. The letter may be presented to the witness. Give the date of it, Senator.

Senator CURTIS. It is dated April 26, 1951, to Mr. Cyrus Martin, and it is signed by D. W. Seretsky, secretary, WO unit, UAW.

The CHAIRMAN. You may examine that letter and state if you identify it, Mr. Martin.

(The document was handed to the witness.)

Mr. MARTIN. Could I read it into the record?

Senator CURTIS. It is very short. I wish you would.

The CHAIRMAN. Wait a moment. Do you identify it?

Mr. MARTIN. I identify it. I would like to read it into the record.

The CHAIRMAN. What is it?

Mr. MARTIN. A letter to me from the secretary of the Willys-Overland unit.

The CHAIRMAN. You may read it.

Mr. MARTIN (reading):

Mr. CYRUS MARTIN.

DEAR SIR AND BROTHER: At the Willys-Overland unit meeting of April 20, 1951, held at Scott High School Auditorium, the trial committee which was set up in your case gave their report and presented the following recommendations to the body:

No. 1, that you be found guilty as charged.

I am trying to find out what it is.

No. 2, that you be expelled from the International Union UAW-CIO for a period of 99 years.

These recommendations were concurred with by the body at this meeting.

Fraternally yours,

D. W. SEROTSKY,
Secretary, Willys-Overland Unit, CIO.

The CHAIRMAN. Is that the meeting that you attended that I interrogated you a few minutes ago?

Mr. MARTIN. Yes; the meeting of April 20.

The CHAIRMAN. That is the one we were referring to when I was interrogating you a few moments ago?

Mr. MARTIN. That is right.

The CHAIRMAN. Did they announce their concurrence with those findings, and in the sentence imposed while you were present in the meeting?

Mr. MARTIN. In other words, they didn't specifically charge, that is what I am trying to find out here, what the charges actually were. They brought out conduct unbecoming a union member. You are, therefore, found guilty.

The CHAIRMAN. In other words, was it that night or that meeting that I interrogated you about a while ago and to which this letter refers that you were present at that meeting? Did you hear them say there that night that they sustained these recommendations, that was the order and findings of the union? In other words, did you know they had done that? Did you hear and know they had done that to you before you left the union hall that night?

Mr. MARTIN. No; Senator McClellan, this was sent to me after that meeting. In other words, that was the finding of the meeting.

The CHAIRMAN. I understand it was sent to you after the meeting. I am asking you if what they said occurred there in that letter actually took place in your presence while you were in the union hall.

Senator CURTIS. Senator McClellan means, did they tell you that night that you were going to be expelled for 99 years, or was the decision given to you later?

The CHAIRMAN. If they are there and acted on it, when he was present, somebody wanted to hear his side of it—evidently they made some decision because this letter made a decision. Were you present when the decision was made? Did you hear it announced there that night before the letter was ever written to you that they concurred in the findings of the trial committee, and that you were suspended for 99 years?

Mr. MARTIN. If my memory serves me right, Senator McClellan, in regard to the 99 years, it was not mentioned at that meeting. In other words, as to expulsion for 99 years, I recall it only at the time when I received this letter. I did not know how long I was going to be suspended. I was just suspended from the union, and now the length of time I was suspended, I don't know if it was decided afterward, or what.

The CHAIRMAN. All right.

Senator CURTIS. Now, Mr. Martin, it was after you were expelled for 99 years, the man that hit you and was fined, got a job and you did not, and he later became international representative, and that is the matter you wrote Walter Reuther and asked his help about, is it? That is about this deal of you being expelled? That is what you wrote Reuther about?

Mr. MARTIN. That is right.

Senator CURTIS. You got a letter back from his secretary that he was busy with something else?

Mr. MARTIN. That is right.

Senator CURTIS. Now do you know Randolph Gray?

Mr. MARTIN. Very well, Senator.

Senator CURTIS. How long have you known him, roughly?

Mr. MARTIN. Oh, 18 years.

Senator CURTIS. Would you say he is out of his mind?

Mr. MARTIN. I think after he gets done testifying, everybody will realize he is not out of his mind.

Senator CURTIS. You would say he was not?

Mr. MARTIN. I sure would.

Senator CURTIS. I beg your pardon?

Mr. MARTIN. If he is out of his mind, there are a lot of crazy people walking around different cities.

The CHAIRMAN. Now we want call him as a witness, and we will have a chance to observe him.

Mr. MARTIN. I am just answering the way I feel about it, Senator.

The CHAIRMAN. You are answering, and I don't know about this procedure. You will say now we are going to get a witness, and you are asking if he is out of his mind.

Mr. MARTIN. I will say he has a very sane mind.

Senator CURTIS. I will explain. It is in the printed record that the committee and the public were informed, and it is in the printed record, by an employee of this committee that Mr. Gray was out of his mind.

The CHAIRMAN. All right. You say he is not.

Mr. MARTIN. I sure will say that.

The CHAIRMAN. You swear to it?

Mr. MARTIN. If he is crazy, there are thousands of people walking the streets crazy.

The CHAIRMAN. All right.

Senator CURTIS. Mr. Manuel has a question or two.

The CHAIRMAN. Let us proceed.

Mr. MANUEL. Another one of those 28 charges filed by Mr. Duckworth and Mr. Billheimer in June of 1950 was as follows: That is charge 20-C:

Brother Gosser has imposed a system of fines on the employees of local 12 for being late for work, a system which would not be tolerated if imposed by any employer with whom the union has a contract.

Finding: There is no supporting evidence to this allegation. Brother Gosser reported to the executive board that no local employee to his knowledge had ever been fined for being tardy.

Do you hear me.

Mr. MARTIN. For being what?

Mr. MANUEL. For being tardy. Were you ever fined for being tardy?

Mr. MARTIN. I sure was. I was fined from 75 cents to a whole day's pay, and according to how late you were. In other words, they had a schedule set up.

Mr. MANUEL. Were you a local employee at the time?

Mr. MARTIN. I sure was.

Mr. MANUEL. I will hand you what purports to be a letter dated March 8, 1949, the original apparently, signed by Mr. Gosser, to you. Attached thereto is what purports to be a copy of a receipt dated March 18, 1949, received from Toots Martin, 75 cents, signed Louise Schultz. I will ask you if you can identify those.

(The document was handed to the chairman.)

The CHAIRMAN. Has this been presented to the witness?

Mr. MANUEL. He has not examined it yet.

The CHAIRMAN. The Chair hands you a letter addressed to you, dated March 8, 1949, and it says:

To Cyrus Martin from Richard Gosser.

Subject: Tardiness.

Will you examine it and state if you identify it?

(The document was handed to the witness.)

Mr. MARTIN. I sure recall receiving such a letter.

The CHAIRMAN. The letter may be made exhibit 29.

(The letter referred to was marked "Exhibit No. 29" for reference and may be found in the files of the select committee.

The CHAIRMAN. Did you pay the fine there assessed?

Mr. MARTIN. I sure did.

The CHAIRMAN. How did you pay it, by check?

Mr. MARTIN. In cash, and there were no checks and it was all cash moneys, Senator McClellan.

Mr. MANUEL. Mr. Martin, will you hold that and see if I am reading correctly the first paragraph of that letter:

In checking over the itineraries, I find that on January 26, you did not check in until 9:30 a.m., and on January 31, it was 9:20. This would mean a fine of 75 cents for each day, or \$1.50 you owe. I would like to say now that these fines should be paid to Roy Schultz, or whoever has the itinerary, not later than Friday, March 11.

Am I reading correctly?

Mr. MARTIN. That is right.

Mr. MANUEL (reading):

I think you understand the rules enough to know that all fines should be paid on the very day you are late. After you pay the fine if you feel you have a justifiable excuse, you should then write me a letter and I will see that the money is refunded to you if I feel you are entitled to it. The girl in charge of the itinerary does not have a right to excuse anyone for tardiness. No one has that authority except myself. If I start to giving the girls authority for excusing anybody, God alone knows how far they will go. Therefore, I have instructed all of them that they should collect the fine immediately. Thanking you for your cooperation, which I know I will receive, and with kindest regards, allow me to remain, fraternally yours, Richard T. Gosser.

Have I read that correctly?

Mr. MARTIN. That is right.

Mr. MANUEL. Very well. Now do you see a little sentence up there which has been written in in ink.

This fine charged in error?

Mr. MARTIN. Yes, sir.

Mr. MANUEL. Apparently, is this correct, that once you pointed out that you had not been late on those days, your fine was forgiven you. Is that what that indicates:

This fine charged in error—

and you had the receipt?

Mr. MARTIN. That is right.

Mr. MANUEL. Which is attached to the letter?

Mr. MARTIN. That is right.

Mr. MANUEL. Is that correct?

Mr. MARTIN. That is correct.

Mr. MANUEL. Now I hand you what purports to be a photostatic copy—or I will delay that. Did you ever pay a larger fine than 75 cents?

Mr. MARTIN. Oh, I paid a whole day's pay already for being late. In other words, if you come in at noon, you might as well stay home because you have to turn in your whole day's pay.

Mr. MANUEL. What happened to that fine, that fine money?

Mr. MARTIN. That is what I would like to know, and it has always been a mystery to me.

Mr. MANUEL. It was collected by Miss Louise Schultz, is that correct?

Mr. MARTIN. Well, Miss Louise Schultz or whoever was at the desk at the outside of Mr. Gosser's office, and different ones.

Mr. MANUEL. Who was Miss Schultz at that time?

Mr. MARTIN. She was one of the secretaries up there in his office. I think there were three girls involved up there.

Mr. MANUEL. One of Mr. Gosser's secretaries?

Mr. MARTIN. That is right.

Mr. MANUEL. Do you know where the money went after she collected it?

Mr. MARTIN. I imagine it was turned over to Mr. Gosser, naturally.

Mr. MANUEL. Do you know whether or not it went to the flower fund?

Mr. MARTIN. I don't know where it went, and we never did hear. I never did hear.

Mr. MANUEL. Very well. You never saw any accounting, did you, of the fine money?

Mr. MARTIN. I brought that out very definitely, and I never knew how much money was taken in and how much was spent and how much was in reserve.

Mr. MANUEL. I hand you what purports to be a photostatic copy of another letter dated February 21, 1946, from Richard Gosser to Cyrus Martin, and I will ask you if you can identify that.

(The document was handed to the chairman.)

The CHAIRMAN. This purports to be a letter from Richard Gosser to you dated February 21, 1946. See if you can identify it.

(The document was handed to the witness.)

Mr. MARTIN. I recognize the letter, Mr. Manuel.

Mr. MANUEL. Did you receive that from Mr. Gosser?

Mr. MARTIN. I sure did.

Mr. MANUEL. Would you be good enough to read the first paragraph of that letter?

The CHAIRMAN. Do you want it made an exhibit?

Mr. MANUEL. We want it an exhibit.

Mr. MARTIN (reading) :

FEBRUARY 21, 1946.

CYRUS MARTIN,
Organizer, Local 12, UAW-CIO.

DEAR BROTHER MARTIN: Out of discussion I heard at the meeting Saturday, February 9, it seemed to me more or less I was put on the spot for not having everybody pay their equity into the flower fund. I don't completely subscribe that you, Martin, are speaking for all of the fellows, but I may be wrong. As it is now, an international representative pays \$7.50 duty fine each week and if he is located in Toledo, also pays an additional \$1 fine for PAC membership and \$1 fine for not getting ads for the yearbook also. He pays for all of the times he is late or absent, plus \$10 weekly donation to the GM strike fund. This is a total of \$19.50 plus whatever he has incurred in fines for tardiness.

Mr. MANUEL. Now during that time you paid in \$19 plus, did you not, each week?

Mr. MARTIN. The letter so states.

Mr. MANUEL. In addition to the separate fines which might be imposed for your being late or absent.

Mr. MARTIN. That is correct.

The CHAIRMAN. What is this being late for? Late to where?

Mr. MARTIN. Late to report on duty. In other words, we had to be on duty at 9 o'clock in the morning, and if we had tire trouble or something—

The CHAIRMAN. It was working at your job and you were penalized if you were not on your job at the regular hour?

Mr. MARTIN. At the international office, that is right.

Senator CURTIS. Mr. Chairman, I might call attention to the fact that when this matter went before the UAW international board in one of the allegations, 2-C, it was alleged that Brother Gosser had im-

posed a system of fines on the employees of local 12 for being late, and here is the finding, which is obviously false, and known to be false:

There is no supporting evidence to this allegation. Brother Gosser reported to the executive board that no local employee to his knowledge had ever been fined for being tardy.

The CHAIRMAN. I think Mr. Gosser testified that way, didn't he? Senator CURTIS. I think probably he did, yes.

The CHAIRMAN. The letter may be made exhibit No. 30.

(The document referred to was marked "Exhibit No. 30" for reference and may be found in the files of the select committee.)

(At this point the following members were present: Senators McClellan, Kennedy, and Curtis.)

Mr. MANUEL. I will hand you, Mr. Martin, what purports to be an official publication of local 12. It contains some pictures, among which is your own handsome countenance. Will you please look at that and see if you can identify it? I just want it made an exhibit for reference.

(The document was handed to the witness.)

Mr. MARTIN. Yes, I recognize it.

Mr. MANUEL. I would like to make that an exhibit for reference.

The CHAIRMAN. What does it prove?

Mr. MANUEL. The officers of local 12 pictures and the officers of the region that Mr. Gosser was director.

The CHAIRMAN. Does the publication so state?

Mr. MARTIN. That is right. Regional director and local union officers.

The CHAIRMAN. It may be made exhibit 31, for reference.

(The photograph referred to was marked "Exhibit No. 31" for reference and may be found in the files of the select committee.)

Senator KENNEDY. What does that all prove, this 1946 business about the fines? What is that proving?

Mr. MANUEL. I think it primarily proves that these charges were made by Mr. Duck and Mr. Billheimer to the international, to the international board. As you may know the international executive board heard all these charges and found there was no evidence to sustain the charges. It proves there was evidence. All they had to do was to go to their own files and get copies of this letter, and Mr. Gosser's own words signed by him where he had imposed fines. Instead the executive board said there was no such evidence.

Senator KENNEDY. Where do they say that?

Senator CURTIS. Right in here.

Senator KENNEDY. It depends on what kind of fines we are talking about. The fines we are talking about are rather routine fines which are imposed for being late at meetings. Are you stating that they stated—these are the fines not coming to work late for the company but coming to work late for the union, is that correct?

Mr. MANUEL. That is right. Mr. Martin, when you were an international representative assigned to Mr. Gosser's staff, were you ever directed by Mr. Gosser to go from plant to plant taking up contributions ostensibly for the summer camp?

Mr. MARTIN. Plant to plant and also different local unions.

Mr. MANUEL. Did Mr. Gosser give you a list of people you were to solicit on behalf of the local 12 summer camp?

Mr. MARTIN. As a rule he did.

Mr. MANUEL. I would like to hand you what purports to be a copy of a letter dated September 2, 1949, from Mr. Richard Gosser, this is an original, to you, Mr. Toots Martin, and attached thereto is a rather thick list of donors, they are called, and then two dates, a column for 1948 and a column for 1949. I will ask you if you can identify that.

(The document was handed to the chairman.)

(At this point Senator Goldwater entered the hearing room.)

The CHAIRMAN. All right. Present it to the witness.

(The document was handed to the witness.)

Mr. MARTIN. I recognize it, Mr. Manuel.

Mr. MANUEL. Is it what it purports to be?

Mr. MARTIN. That is right.

Mr. MANUEL. The letter is very short. Would you read that, please?

Mr. MARTIN (reading) :

Mr. Toots Martin, international representative, region 2XB, NAW-CIO, September 2, 1949.

Dear Brother Martin : Attached is a copy of the form that has been made up that I promised I would give you. It is your responsibility to contact each one until you show some kind of donation in the 1949 column.

Mr. MANUEL. If you will look at that, turn the letter over, and you will see two columns.

Mr. MARTIN. That is right.

Mr. MANUEL. First you see a column, "Donor." You have certain employers and persons to be solicited. The first one is local 12 and others are various employers, Willys-Overland, Driggs Dairy, and so forth. Do you see amounts opposite those names for 1948?

Mr. MARTIN. Yes, I do.

Mr. MANUEL. Do you see opposite certain other donors' amounts entered in that 1949 column?

Mr. MARTIN. That is right.

Mr. MANUEL. Would you turn to the last page and tell me the totals of both those columns? You see a column on the last page for 1948, the total solicitations being \$15,400.

Mr. MARTIN. Just a minute.

Mr. MANUEL. The last page.

Mr. MARTIN. 1948 column shows \$15,433. In the 1949 column it shows \$10,540.50.

Mr. MANUEL. They represent amounts which were ostensibly donated to the summer camp, is that correct?

Mr. MARTIN. That is right.

Mr. MANUEL. By these various donors?

Mr. MARTIN. That is right.

Mr. MANUEL. You received the copy you hold in your hand, did you not?

Mr. MARTIN. That is right.

Mr. MANUEL. I will now hand you another.

The CHAIRMAN. This may be made exhibit No. 32.

(The document referred to was marked "Exhibit No. 32" for reference and may be found in the files of the select committee.)

Mr. MANUEL. I will now hand you a copy of another document in three pages which purports to be a list of certain other people. There

is certain writing opposite some of the names and amounts, and I will ask you to identify that. I will more specifically ask you, Is that a list that was made up on the basis of the ones you just had? In other words, those that were not covered by this date were to be covered by you in this list?

(The document was handed to the chairman.)

The CHAIRMAN. Here are three pages of typewritten names with some pen notations thereon. Will you examine these three pages and state if you identify them, and if so what are they?

(The document was handed to the witness.)

Mr. MARTIN. I recognize them.

Mr. MANUEL. Is that a list that was made up based on the first list you examined of those employers and contributors who had not at that time been contacted? Is this a list you were to contact and solicit?

Mr. MARTIN. That is right.

Mr. MANUEL. On the list you now have, do you see certain writing in ink there?

Mr. MARTIN. That is right.

Mr. MANUEL. Is some of that your own handwriting?

Mr. MARTIN. That is right.

Mr. MANUEL. Does it show amounts or the action that you took, that is, that you contacted certain of these people and what action was taken? Whether you got checks or cash or promises of checks or cash or both?

Mr. MARTIN. That is right.

Mr. MANUEL. Turn over to page 2.

The CHAIRMAN. That list may be made exhibit No. 32-A.

(The document referred to was marked "Exhibit No. 32-A" for reference and may be found in the files of the select committee.

Mr. MANUEL. Page 2. Do you see on page 2, the 11th name from the top, the name of Tony Paul?

Mr. MARTIN. That is right.

Mr. MANUEL. Do you know who Tony Paul is?

Mr. MARTIN. I never met the gentleman. All I know is what I heard of him.

Mr. MANUEL. What did you hear?

Mr. MARTIN. I heard he was in the gambling rackets, slot machine racket.

Mr. MANUEL. He was and is?

Mr. MARTIN. As far as I know.

Mr. MANUEL. What is that little notation opposite Mr. Paul's name?

Mr. MARTIN. I was informed, "Do not contact for Mr. Gosser."

Mr. MANUEL. Did that mean Mr. Gosser was going to contact Mr. Paul himself for his donation?

Mr. MARTIN. I imagine that was the theory behind it.

Mr. MANUEL. Do you see further down that same page several other names? Some have asterisks after them. One has a line drawn at the bottom.

Mr. MARTIN. Yes.

Mr. MANUEL. What does that notation say?

Mr. MARTIN. "Do not contact for Mr. Gosser," signed "E. D.," Elgida Donovan, who was one of the secretaries.

Mr. MANUEL. What was the significance of that? You were not to cover these? You were to cover the others?

Mr. MARTIN. That is right. Some motive of his that he would have to explain, Mr. Manuel. I never did find out the reason why. I was just informed not to contact them.

Mr. MANUEL. Do you know whether any of those people are in the gambling business, like Benny Fretti?

Mr. MARTIN. Yes.

Mr. MANUEL. Is he one of the gamblers?

Mr. MARTIN. That is right.

Senator KENNEDY. Is there some evidence that there have been gamblers?

Mr. MANUEL. We will have some, Senator Kennedy.

Senator KENNEDY. Does he know about it?

Mr. MANUEL. I just asked him.

Senator KENNEDY. You said two or three other people were in the gambling business.

Mr. MARTIN. Somebody tells me something, I take it for granted it was true. I was told that. I don't know the gentleman. If I met him on the street, I wouldn't know him from a load of hay.

Senator KENNEDY. I know it is the thesis of this hearing that you believe something is true if somebody told you. How do you know it is true? If somebody told you, who told you? Conclusions have been drawn that these people are gamblers.

Mr. MARTIN. Are you referring to Tony Paul?

Senator KENNEDY. I am referring to the three men.

Mr. MARTIN. I am well aware of the fact that the Fretti brothers because they had pinball machines throughout the city of Toledo.

Senator KENNEDY. What year was that?

Mr. MARTIN. Several years back. They must have had it for a period of maybe 10 or 15 years. That is what they did practically all their life. The Fretti brothers. That is a known fact in Toledo.

Senator KENNEDY. What about the other names?

Mr. MARTIN. Benny Aronoff. There is another one. He used to run a big crap game in the city of Toledo. He is deceased now. But he used to run big crap games. So did Benny Aronoff. He was another gambler, based on dice, slot machines, and punchboards and everything else. He had all kinds of rackets.

Mr. MANUEL. Are these members, Mr. Martin, of what is loosely termed "the underworld" in Toledo?

Mr. MARTIN. That is right. It was always known as such.

Mr. MANUEL. The documents you have indicate that \$15,000 was taken up in 1948, \$10,000 plus in 1949 for the summer camp. Do you know whether or not that money was given to Mr. Gray, who was then financial secretary of local 12?

Mr. MARTIN. I don't think it has, but I think Mr. Gray will answer that when he is testifying. I don't think he received any of it. He never told me he received any of it.

Mr. MANUEL. What you took up did you give it to Mr. Gray?

Mr. MARTIN. I did not.

Mr. MANUEL. Wasn't he financial secretary?

Mr. MARTIN. That is right.

Mr. MANUEL. Shouldn't he have gotten this money?

Mr. MARTIN. I would say so.

Mr. MANUEL. It was for the local 12 summer camp.

Mr. MARTIN. That is right.

Mr. MANUEL. And it was owned by local 12?

Mr. MARTIN. That is right.

Mr. MANUEL. And Mr. Gray was financial secretary of local 12?

Mr. MARTIN. That is right.

Mr. MANUEL. Instead, who got the money?

Mr. MARTIN. It went upstairs.

Mr. MANUEL. Upstairs to whom?

Mr. MARTIN. Mr. Gosser's office. It was turned over to one of the secretaries. There were several of them. In other words, the money collected, that is where I turned them in.

Mr. MANUEL. When you were international representative what were your official duties? What were you to do? What were you paid to do?

Mr. MARTIN. I was paid to organize plants, negotiate contracts, and take care of grievances.

Mr. KENNEDY. Before you go on, may I see that document? We pass over these things so quickly I don't know what the point is.

Senator CURTIS. We are trying to save time, counsel.

Mr. KENNEDY. Let us not produce documents and then not talk about them.

Mr. MANUEL. You were paid to organize plants and to negotiate contracts and to service the local contracts; is that correct?

Mr. MARTIN. That is right.

Mr. MANUEL. In addition to your various excursions into the plants to take up solicitations for the summer camps which may or may not have gone to the summer camp, were you in addition assigned certain duties by Mr. Gosser, such as selling raffle books or collecting for raffle books?

Mr. MARTIN. That is right.

Mr. MANUEL. Did you do that on your own time or on union time?

Mr. MARTIN. Union time.

Mr. MANUEL. I will hand you now what purports to be a copy of a letter dated October 11, 1949, from Mr. Gosser to you, attached to which is another schedule. I will ask you to examine those, and see if you can identify them.

(The document was handed to the chairman.)

The CHAIRMAN. Here is a letter dated apparently October 11, 1949, to you from Richard Gosser, subject: "Raffle tickets"; and it has some names attached. Will you examine it and identify it?

(The document was handed to the witness.)

Mr. MARTIN. I recognize it.

Mr. MANUEL. It is a short letter.

The CHAIRMAN. It may be made exhibit No. 32-B.

(The document referred to was marked "Exhibit No. 32-B" for reference and may be found in the files of the select committee.)

Mr. MANUEL. Let me read it. It is dated October 11, 1949, to Toots Martin from Richard Gosser, subject: "Raffle tickets."

Mrs. Donovan has given you a breakdown list of who still owes on the raffle tickets. I don't want to play games with you. If it is not closed out soon, we will be fooling around with it when we start the other raffle.

Signed, Fraternally, Richard Gosser.

It has a little P.S.

Further, Cyrus, attached is a list of who still owes. Take it name for name and give me a written report until this thing is up to date. If this is not done in about 1 calendar week, I am not going to take you to the Ohio State-Michigan football game with me.

Have I read that correctly?

Mr. MARTIN. That is right. I didn't happen to go to the game.

Mr. KENNEDY. What is this raffle for?

Mr. MANUEL. We will try it.

Mr. KENNEDY. What is the raffle for?

Mr. MARTIN. I recall it very well. This is in regards to a station wagon that was purchased by local 12, and it was to be raffled off, and the money that was derived from the raffle tickets was to go to local 12 summer camp.

Mr. KENNEDY. What is the summer camp for?

Mr. MARTIN. What is the summer camp for?

Mr. KENNEDY. Who was the summer camp for?

Mr. MARTIN. For children of local 12.

Mr. KENNEDY. Is the purpose of this point to commend Mr. Gosser for raising money for a summer camp for underprivileged children of Ohio?

Mr. MANUEL. I would rather doubt it. It condemns him. We have not developed it fully.

Mr. KENNEDY. What is the other list that we rushed over so quickly to save time?

The CHAIRMAN. Let us ask the witness the question.

Mr. KENNEDY. What is the Toots Martin list? We rushed over this exhibit 32-A, and we were asked about some names on the list. What is this list?

Mr. MARTIN. That is a list for donations to contact these people to donate to the support of local 12 summer camp.

Mr. KENNEDY. This is again to get people to donate money to the summer camp?

Mr. MARTIN. That is right. This was in regards to raffling off a station wagon that was purchased by local 12 from the Willys-Overland.

Mr. KENNEDY. All for underprivileged children; is that correct?

Mr. MARTIN. Supposedly underprivileged children but I never heard of any underprivileged children going there. You had to be loyal and pay.

Mr. KENNEDY. Did anybody else other than underprivileged children get the money? Do you know of anybody else other than underprivileged children who received any money?

Mr. MARTIN. Nobody said the children received any money.

Mr. KENNEDY. Do you know anybody else that got any of the money?

Mr. MARTIN. I know where the money was turned in to. It was turned in to upstairs into Mr. Gosser's office. What became of the money he will have to answer. I can't answer that.

Mr. KENNEDY. That is what I want to make sure we get straightened out. You are not saying that Mr. Gosser got the money. The money was for the camp for underprivileged children. I feel he should be commended for this.

Mr. MARTIN. You do?

Mr. KENNEDY. I want to be sure that we get the record straight?

Mr. MARTIN. That is your opinion. Before this hearing is over, I think you will see a different light.

Mr. KENNEDY. That is fine. As far as we go, I want to be sure what the facts are.

The CHAIRMAN. Did you ever see any children at this camp?

Mr. MARTIN. Did I ever see any children at the summer camp? Lots of them.

The CHAIRMAN. Then he did have children out there?

Mr. MARTIN. That is right.

The CHAIRMAN. And there was a camp for the children?

Mr. MARTIN. That is right.

The CHAIRMAN. And children were carried there from members of the local?

Mr. MARTIN. That is right, most of them, though, their folks had to pay for their keep while they attended the summer camp.

The CHAIRMAN. In other words, the only complaint in this thing is that while it is perfectly all right to raise the money by raffle and solicitation and donations, the only question is was the money actually used for the purpose for which it was solicited and raised, is that correct?

Mr. MARTIN. That would be correct.

The CHAIRMAN. There is no question about the motive as announced that it was for a summer camp, to maintain it and for the welfare of children. That you all knew and agreed to?

Mr. MARTIN. That was the intent. That is why local 12 went to work and furnished the money to buy the station wagon.

The CHAIRMAN. Also to buy the camp, I guess.

Mr. MARTIN. I didn't get you.

The CHAIRMAN. And also to provide the camp.

Mr. MARTIN. That was the intent of it.

Mr. MANUEL. Mr. Martin, I will hand you another list of about six pages.

(The document was handed to the chairman.)

The CHAIRMAN. Let us get these moving. If you have any more, let us get them in and then the real question and the crux would be whether this money was used for that purpose or if somebody absconded with the money and misappropriated it. Here are five or six pages apparently dated September 27, 1949, called raffle tickets not returned. Will you check that and see if you identify it?

(The document was handed to the witness.)

Mr. MARTIN. I identify it.

The CHAIRMAN. It may be made exhibit No. 32-C.

(The document referred to was marked "Exhibit No. 32-C" for reference and may be found in the files of the select committee.)

Mr. MANUEL. Is that a further breakdown of a list you just examined? If you will examine this, you will notice on the first page, or rather the last page, it says—

Raffle tickets not complete as of 9/8/49.

Do you see that?

Mr. MARTIN. Yes, that is right.

Mr. MANUEL. That indicates those who had not accounted for either the books or the money, is that correct?

Mr. MARTIN. That is right.

Mr. MANUEL. If you look at the first page—

Raffle tickets not returned as of 9/27/49.

Mr. MARTIN. That is right.

Mr. MANUEL. As of this date when you got this list those people indicated on there had not turned in either the tickets or the money, is that right?

Mr. MARTIN. That is right.

Mr. MANUEL. And you were asked to go down this list and visit those people who had not turned in either the books or the money?

Mr. MARTIN. That is right.

Mr. MANUEL. And you did that and your action is indicated on here.

Mr. MARTIN. That is right.

Mr. MANUEL. Getting back to the moneys which you took up for that raffle tickets. What did you do with the money?

Mr. MARTIN. I turned it in upstairs to one of the girls at the desk. In other words, all our donations to the summer camp, our raffle ticket and all that, had to be turned in on the fourth floor to one of the girls that was in the office. She so made a record in regard to that.

Mr. MANUEL. If this money was for a local 12 summer camp, why was not it turned into Mr. Randolph Gray, who was financial secretary?

Mr. MARTIN. The only one that can answer that is Mr. Gosser.

Mr. MANUEL. You know it was turned over to his office.

Mr. MARTIN. Definitely.

Mr. MANUEL. You do not know that it was turned over to Mr. Gray?

Mr. MARTIN. I do not know. Mr. Gray will answer that.

Mr. MANUEL. You do not know whether it was spent for underprivileged children at the summer camp?

Mr. MARTIN. I do not know what happened to the money.

Mr. MANUEL. The purpose of the summer camp was to provide a summer home or a place where the children of the local 12 members could go and visit and have a good time in the summer?

Mr. MARTIN. That is right.

Mr. MANUEL. Do you know whether or not it was used exclusively for that purpose? I believe you said that some of the children who visited that camp paid for it or else their parents paid for their keep?

Mr. MARTIN. In other words, those who could afford it and the folks were working, and I would say 90 percent of them, their folks was working, they paid so much for the children. It would be 2 weeks for boys and 2 weeks for girls, and so forth. They paid so much a week, \$12 or \$10 a week for each week they were there.

Mr. MANUEL. I will hand you another document which is in handwriting, one page. It purports to have certain names there and opposite the number of tickets and telephone numbers, and see if you can identify that.

(The document was handed to the chairman.)

The CHAIRMAN. Look at it.

(The document was handed to the witness.)

Mr. MARTIN. I identify it.

The CHAIRMAN. That will be made exhibit No. 32-D.

(The document referred to was marked "Exhibit No. 32-D" for reference and may be found in the files of the select committee.)

Mr. MANUEL. What is that?

Mr. MARTIN. This is a list of local union presidents in the Toledo area or local union representatives. It states here, Bill Cook received \$100. Bill Cook is a business agent for the taxicab drivers for the city of Toledo. Franz Berlacher, 100 tickets. He was the business agent for the Milk Drivers Union. Chester Capella, 100 tickets. He was a representative or business agent for the Amalgamated Clothing Workers.

The CHAIRMAN. That is enough. Those tickets they let out and charged to these folks in order to try to sell them.

Mr. MARTIN. That is right.

Mr. MANUEL. Did Mr. Gosser himself give you this list or put those tickets out for sale?

Mr. MARTIN. I can't recall that, Mr. Manuel. In other words, this is my writing here. I must have been told from a list to take down a certain amount of names or a list was handed to me and I copied them down and I had to contact these different fellows in regard to them taking 100 tickets and selling them or paying for them themselves.

Mr. MANUEL. You had to contact them for the money and either sell the tickets or get the money.

Mr. MARTIN. That is right.

Mr. MANUEL. These people are agents for other unions which are not UAW unions?

Mr. MARTIN. That is right.

Mr. MANUEL. Isn't there a Mr. Larry Steinberg?

Mr. MARTIN. Like I say, Chester Capella is Amalgamated Clothing Workers.

Mr. MANUEL. Is Mr. Larry Steinberg on there?

Mr. MARTIN. That is right.

Mr. MANUEL. Who was he?

Mr. MARTIN. At that time he was connected with the CIO. In other words, I think he was with the Textile Workers Union. Due to the fact why I say that, Harry Carr, which is down here, he was a business agent for the Teamsters Union, but at the present time Larry Steinberg became president of the Teamsters Union, and he was in some other category and I think it was with the Amalgamated Clothing Workers or the Office and Retail Clerks and something.

Mr. MANUEL. Mr. Gosser did use business agents of other locals also to push his raffle tickets; is that right?

Mr. MARTIN. That is right. This so indicates.

The CHAIRMAN. What would be wrong with that? I am perfectly willing if you have anything in substance here to get it. But they put on raffles and so forth to support this farm or rest camp or whatever it is. What is wrong with that? What is wrong with asking friends of other unions to help? Is there anything wrong with it?

Mr. MARTIN. I would say this. There is nothing wrong if we was assured that the funds was used for this.

The CHAIRMAN. The whole crux of it is where did the money go?

Mr. MARTIN. That is right.

The CHAIRMAN. You raised a lot of money. That has been shown. Where did the money go? Do you know where the money went?

Mr. MARTIN. No; I would like to find out.

Mr. MANUEL. One other very short matter. I believe you testified earlier this morning that you were for some years a member of the flying squadron at Willys-Overland. I believe you said that the

flying squadron participated in such activities as burials and perhaps marching in the Labor Day parades.

Mr. MARTIN. Entertainment committees.

Mr. MANUEL. And perhaps at times violence on the picket lines.

Mr. MARTIN. A certain amount of them, yes.

Mr. MANUEL. Were most of the members of the flying squadron in the Willys-Overland plant?

Mr. MARTIN. The flying squadron consisted—all of the flying squadron consisted of the Willys-Overland plant.

Mr. MANUEL. Are they what is colloquially known out there as the goon squad?

Mr. MARTIN. Some of them refer to them as that, that is right.

Mr. MANUEL. They were more or less the faction closely associated with Mr. Gosser?

Mr. MARTIN. A certain percentage of them were. Others were just in there to dress it up. That is the best way to say it.

Mr. MANUEL. Did most of them take their directions from Mr. Gosser?

Mr. MARTIN. Either that way or through Mr. Gosser.

Mr. MANUEL. Did they wear uniforms at times?

Mr. MARTIN. Yes, we had shirts and caps.

Mr. MANUEL. Did you wear them?

Mr. MARTIN. I sure did.

Mr. MANUEL. Did you ever march in any Labor Day parades in your uniform?

Mr. MARTIN. I sure did.

The CHAIRMAN. What is wrong with this?

Mr. MANUEL. I am just opening one thing. In 1947 did you march in the Labor Day parade with the flying squadron?

Mr. MARTIN. I did.

Mr. MANUEL. Did Mr. Gosser march at the head of the column?

Mr. MARTIN. That is right.

Mr. MANUEL. Did you know whether or not he wore four stars on the shoulder?

Mr. MARTIN. He wore three or four. I know he wore stars on the shoulder.

Mr. KENNEDY. Is that the point?

The CHAIRMAN. Proceed. Let us get to the point.

Senator KENNEDY. I would like to ask a couple of questions. Did you call yourself the goon squad or the flying squad?

Mr. MARTIN. Flying squad or goon squad.

Senator KENNEDY. Did you call yourself the goon squad?

Mr. MARTIN. I say that is what they called them. I was a member of it.

Senator KENNEDY. This morning you referred to yourself as the flying squad. Senator Curtis called it the goon squad. I was wondering if that was the term of reference used by the members. You yourself, goons.

Mr. MARTIN. I will say this. I was on every picket line in the city of Toledo trying to advance the workers of the city of Toledo.

Senator KENNEDY. Do you consider that a goon squad?

Mr. MARTIN. Just a minute.

Senator KENNEDY. I just asked you a question, whether it was called the goon squad. That is all I am asking you.

Mr. MARTIN. Yes, it was called the goon squad, the flying squad and other names.

Senator KENNEDY. Let me ask you this question. You say you don't know where the money went. Do you know whether Mr. Gosser kept it?

Mr. MARTIN. Now, Mr. Kennedy, don't try that with me, answer that question that way. Ask Mr. Gosser a question. I don't know what became of the money. I am no Houdini or mindreader. I turned the money in.

Senator KENNEDY. You don't know what happened to it after that?

Mr. MARTIN. That is what I said. I have been trying to find out for years what happened to it.

Senator KENNEDY. Let me ask you: In other words, you have no evidence that the money was not used for the camp, is that correct?

Mr. MARTIN. I have no evidence that the money was not used for the camp?

Senator KENNEDY. That is right.

Mr. MARTIN. I would say that. Personally I have no evidence.

The CHAIRMAN. What is the complaint here? It seems to me setting up a camp would have been a very fine thing to do. What is the complaint about the camp?

Mr. MARTIN. The complaint is misappropriation of money in a local union. I think it will be brought out as the hearing progresses. I don't think we are here in regards to just wasting our time here. Like I stated, I have been waiting 7 years to come before this committee to try to go to work and have my rights justified.

The CHAIRMAN. You have not been waiting that long to come before this committee.

Mr. MARTIN. I mean some kind of committee that can help me. The U.S. Government.

The CHAIRMAN. We can't help you. All we can do is to hear your story.

Mr. MARTIN. Maybe you can recommend to the legal department something be done. When a man spends all his life in a labor movement and because he disagrees with certain people and gets his life chopped off and has no livelihood. If you are 55 or 56 years old, it is impossible to get a job.

The CHAIRMAN. Will you let me talk when I am trying to?

Mr. MARTIN. I will.

The CHAIRMAN. I am trying to help, and I don't like to be interrupted.

Mr. MARTIN. Pardon me.

The CHAIRMAN. I am trying to find out if there is anything real about this except where the money went. In the processes of raising the money I don't see anything wrong. In giving you a list of names to check and collect the money I see nothing wrong. To raffle off a car I see nothing wrong. Certainly you say they had many children out there. I see nothing wrong with that. The only question is who took the money instead of giving it to the secretary-treasurer, or whoever it is, of the local. You gave this money to the secretaries of Mr. Gosser, is that correct?

Mr. MARTIN. That is right.

The CHAIRMAN. You don't know what became of the money after that? You do know that it took money to operate the camp.

Mr. MARTIN. That is right. I will say this. These moneys that were collected should have been turned over to the secretary of the local unit because this station wagon and everything that was purchased was purchased with money from the local union. Therefore the money should have been turned in to the local union and under the supervision of the secretary of the local union. I think if that had been done that this hearing today would not be existing.

The CHAIRMAN. That may be true. You were a member of it at that time. Did you ask that it be done that way?

Mr. MARTIN. No, I knew better. "You are trying to question my honesty. For that you go back in the shop." That is what Mr. Gosser would have told me.

The CHAIRMAN. Who is questioning your honesty?

Mr. MARTIN. I just say if I had told that to Mr. Gosser he would have told me, "Are you questioning my honesty?"

The CHAIRMAN. Are there any other questions? I am trying to be helpful here, and I can't get you to respond. Anything else? All right, call the next witness.

Senator CURTIS. Mr. Bolman and Mr. Gray.

The CHAIRMAN. Do you and each of you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GRAY. I do.

Mr. BOLMAN. I do.

TESTIMONY OF RANDOLPH GRAY, ACCCOMPANIED BY COUNSEL, LARRY S. DAVIDOW; AND TESTIMONY OF JOHN E. BOLMAN

The CHAIRMAN. The gentleman on my left, please identify yourself for the record.

Mr. BOLMAN. John E. Bolman.

The CHAIRMAN. Where do you live, and what is your business or occupation?

Mr. BOLMAN. 927 Brewer Avenue, Toledo, Ohio. I am self-employed in the drycleaning business.

The CHAIRMAN. And your name is Randolph Gray?

Mr. GRAY. 1331 Geoffrey Avenue, Toledo, Ohio. Employed by the Dana Corp., Standard Equipment Division.

The CHAIRMAN. Do you have counsel?

Mr. BOLMAN. I do not.

Mr. GRAY. I have Mr. Davidow, who agreed to assist me today.

The CHAIRMAN. Mr. Davidow, will you identify yourself for the record?

Mr. DAVIDOW. My name is Larry S. Davidow, practicing lawyer, city of Detroit. I have represented Mr. Gray in litigation against the UAW-CIO. He has asked me to sit with him today.

The CHAIRMAN. He has a right to have counsel of his choice present to consult with regarding his legal rights.

All right, Senator Curtis.

Senator CURTIS. Mr. Chairman, I think we will develop something of Mr. Bolman first, but I believe we should identify these people a little more.

Mr. Gray, were you a member of local 12 of the UAW?

Mr. GRAY. That is right.

Senator CURTIS. At one time you were a board member?

Mr. GRAY. That is right.

Senator CURTIS. Then you later assumed the duties of financial secretary?

Mr. GRAY. That is correct.

Senator CURTIS. You followed Mr. Burke, who became a Congressman?

Mr. GRAY. That is right.

Senator CURTIS. Then subsequent to that you were elected financial secretary?

Mr. GRAY. That is correct.

Senator CURTIS. As best as you can recall, about when did you assume the duties as financial secretary?

Mr. GRAY. I think it was in the late 1941. I mean I helped out in the office. I believe it was in 1942 that I was elected. The year 1942—the early part.

Senator CURTIS. And you continued performing the duties of financial secretary until about when?

Mr. GRAY. I think May 16, 1950.

Senator CURTIS. What position did Mr. Gosser hold when you first started to perform duties as financial secretary?

Mr. GRAY. I believe he was president of the local at that time.

Senator CURTIS. Later he advanced to regional representative; is that correct?

Mr. GRAY. Yes.

Senator CURTIS. What office did he hold during the last part of your service as financial secretary?

Mr. GRAY. International vice president.

Senator CURTIS. What are the duties of the financial secretary to the receipt of money for the union?

Mr. GRAY. He is supposed to receive all the moneys and income for the local union that has been turned over to him. In other words, under the constitution.

Senator CURTIS. What are his duties in regard to expenditures?

Mr. GRAY. I am supposed to countersign the checks. In my particular case they happened to have a treasurer at that particular time who handled the disbursements. Later on I took the job over in its entirety.

Senator CURTIS. The money is to come to you and you keep the books in regard to that?

Mr. GRAY. That is right.

Senator CURTIS. You also keep the books in regard to expenditures?

Mr. GRAY. That is right. I didn't in the first instance, but later I did. That is in part, I should say.

Senator CURTIS. In performing these duties where was your office located?

Mr. GRAY. On the first floor of the building that is on Winthrop Street, 425 Winthrop Street.

Senator CURTIS. Did Mr. Gosser have an office in the same building?

Mr. GRAY. Yes; he did.

Senator CURTIS. For the sake of time, I do not want to review all of the testimony that has already been put in, but local 12 owned a summer camp; is that correct?

Mr. GRAY. The building corporation which is a part of the local did own the summer camp; yes.

Senator CURTIS. I will put it this way: Local 12 owned the building corporation?

Mr. GRAY. That is right.

Senator CURTIS. What was that called?

Mr. GRAY. It was the Automotive Workers Building Corp. It was the holding company for the real estate.

Senator CURTIS. Was every member of local 12 also a member of the building corporation?

Mr. GRAY. That is right.

Senator CURTIS. And the building corporation, the summer camp, and the retirement farm?

Mr. GRAY. That is right.

Senator CURTIS. So the real owner of all of this was local 12?

Mr. GRAY. That is right.

Senator CURTIS. In your duties did you handle receipts of money for local 12, also the building corporation, also summer camp, and retirement funds?

Mr. GRAY. I handled Automotive Workers Building money and the local money, that is what was given to me. What was not given to me I didn't handle.

Senator CURTIS. As far as your duties are concerned. I am not talking about any specific funds.

Mr. GRAY. That is right.

Senator CURTIS. You handled local 12 receipts?

Mr. GRAY. That is right.

Senator CURTIS. Building corporation receipts?

Mr. GRAY. That is correct.

Senator CURTIS. Did you handle receipts of the summer camp?

Mr. GRAY. Yes. That is what was turned over. In other words, there is a triple bookkeeping system there that is hard to understand. What was given to me I did handle. What I was not given, which I was entitled to, I didn't handle.

Senator CURTIS. I am speaking now according to the way it should have been handled.

Mr. GRAY. I should have handled everything.

Senator CURTIS. You should have handled everything?

Mr. GRAY. Yes.

Senator CURTIS. When I say the summer camp, that also included the retirement funds.

Mr. GRAY. That is correct.

Senator CURTIS. You were here and heard the previous witness?

Mr. GRAY. That is right.

Senator CURTIS. You heard him testify about certain solicitations?

Mr. GRAY. Yes.

Senator CURTIS. For the summer camp?

Mr. GRAY. That is correct.

Senator CURTIS. Was that money handled through you as financial secretary?

Mr. GRAY. Some of it was.

Senator CURTIS. Was all of it?

Mr. GRAY. No.

Senator CURTIS. Would you elaborate on that a little bit?

Mr. GRAY. What came to me which we rendered an official receipt through the window which could be accounted for, I would handle that part. There was money that went upstairs, to the extent I don't know the amounts. I would get a sheet saying that they were going to turn over so much to a bank for deposit, and I was to sign a check to draw that amount out against disbursements. I don't know exactly what amount would be upstairs.

Senator CURTIS. In other words, your statement is that technically it was your understanding that all receipts come to you?

Mr. GRAY. It is in the constitution. I am entitled to have all the receipts come to me. They violate that continually.

Senator CURTIS. There are transactions that were handled, what you call upstairs?

Mr. GRAY. In fact, they had transactions handled by people who were not even employees of the union. They were the secretary of the TIC. He handled the money downtown prior to the summer camp on the farm.

Senator CURTIS. Did you ever handle any of the flower fund money?

Mr. GRAY. I banked some of it. I would go up in Mr. Gosser's office—

Senator CURTIS. Did it go through your books?

Mr. GRAY. No, sir.

Senator CURTIS. But you would do some banking errands now and then?

Mr. GRAY. That is right.

Senator CURTIS. This testimony of these witnesses here that they made payments with more or less regularity in cash, did that come to you as financial secretary?

Mr. GRAY. No; it did not.

Senator CURTIS. Now, Mr. Bolman—and we will come back to you, Mr. Gray—were you ever a member of the UAW?

Mr. BOLMAN. Yes, sir.

Senator CURTIS. Were you ever a member of local 12?

Mr. BOLMAN. Yes, sir.

Senator CURTIS. Where were you working at the time you became a member of local 12?

Mr. BOLMAN. Spicer Manufacturing Division of the Dana Corp.

Senator CURTIS. What sort of work did you perform at that time?

Mr. BOLMAN. The technical title, I believe, for the job was assistant buyer.

Senator CURTIS. Assistant buyer?

Mr. BOLMAN. Yes, sir.

Senator CURTIS. Did you continue performing those same duties all the time during your service there?

Mr. BOLMAN. Up until a short time before I was discharged by the company.

Senator CURTIS. About when did you go to work for the Spicer Corp. and become a member of the UAW?

Mr. BOLMAN. Approximately 1943. I wouldn't recall the exact date.

Senator CURTIS. About 1943. About how long did you continue?

Mr. BOLMAN. Until I was discharged in November 1949.

Senator CURTIS. Did you assist with any War Labor Board work of any kind?

Mr. BOLMAN. Yes, sir.

Senator CURTIS. What duties was that?

Mr. BOLMAN. At the particular time we had work with the War Labor Board was during the course of the organization of the Spicer office people, and a strike took place, and we had to appear before the War Labor Board to represent our case.

Senator CURTIS. Were you at any time an employee of the union or were you what might be termed a rank-and-file member?

Mr. BOLMAN. I was never a paid employee of the union. I was a representative but never on the payroll.

Senator CURTIS. What kind of representative were you?

Mr. BOLMAN. I was the chairman of the Spicer office unit of local 12 for approximately 3 years.

Senator CURTIS. What were your duties there?

Mr. BOLMAN. To act as the chairman of the unit in representing the people that belonged to the office unit.

Senator CURTIS. But you earned your livelihood by working for the corporation?

Mr. BOLMAN. Exactly.

Senator CURTIS. That took your full time?

Mr. BOLMAN. That is right.

Senator CURTIS. This other was extra work?

Mr. BOLMAN. That is right.

Senator CURTIS. You were trained in office work?

Mr. BOLMAN. Yes, sir.

Senator CURTIS. Do you do shorthand?

Mr. BOLMAN. Yes, sir.

Senator CURTIS. Do you do typing?

Mr. BOLMAN. Yes, sir.

Senator CURTIS. Did you attend a meeting of the Automotive Workers Building Corp. and request an accounting of their funds?

Mr. BOLMAN. I did.

Senator CURTIS. About when did this happen?

Mr. BOLMAN. During October of 1949, I believe. I would have to check the record to be sure of the exact date.

Senator CURTIS. Had facts come to your attention that caused you to want an accounting of the receipts and expenditures as a member of the union?

Mr. BOLMAN. Exactly.

Senator CURTIS. What were those facts?

Mr. BOLMAN. The fact that union funds were being used for personal profit purposes by Mr. Gosser and Melvin Schultz who operated the Colonial Hardware Store.

Senator CURTIS. You wanted to ascertain the truth or falsity of those charges?

Mr. BOLMAN. I did.

Senator CURTIS. Did you have reports come to you concerning the purchase with union funds of articles from the Colonial Hardware?

Mr. BOLMAN. I did.

Senator CURTIS. That is the Colonial Hardware that has been testified to earlier originally owned by Mr. Gosser and Mr. Schultz, later by Mr. Gosser and finally sold to the union?

Mr. BOLMAN. Yes, sir.

Senator CURTIS. When these facts came to you, did you pay a visit to the summer camp?

Mr. BOLMAN. I did.

Senator CURTIS. What did you find up there, if anything, that added to your desire that you wanted to ask for an accounting of funds?

Mr. BOLMAN. We examined, myself and one other fellow, the premises up there, and at that time there was a construction program in progress. There were packing cases laying all over the place, containing materials that would be used in the construction and building of the buildings up there. In examining the crates and packages we found that in almost every instance the material had been routed through the Colonial Hardware store by the suppliers.

Senator CURTIS. Mr. Chairman, we are not destroying the exhibit here. I am just tearing off some notations.

Mr. Chairman, first we would like to have these properly identified. (The documents were handed to the chairman.)

The CHAIRMAN. The Chair will hand you what appears to be five tags, four on one piece of paper and one on a separate piece of paper.

Will you examine the tags and see if you identify them.

(The documents were handed to the witness.)

Mr. BOLMAN. These tags are shipping tags that were attached to packing cases containing materials that were at the local 12 camp at Sand Lake, Mich., indicating the shipment through the Colonial Hardware store.

During my visit to the camp I appropriated these tags by simply detaching them from the cases or making records as to shipment.

The CHAIRMAN. Can that not all be placed on one sheet of paper for identification? There are five tags altogether.

Mr. BOLMAN. Yes.

The CHAIRMAN. They may be made exhibit No. 33.

(Documents referred to were marked "Exhibit No. 33" for reference and may be found in the files of the select committee.)

Senator CURTIS. Is it true that there was raised in your mind a question of merchandise being purchased from one source but routed through Mr. Schultz and Mr. Gosser's Colonial Hardware store?

Mr. BOLMAN. That was my belief.

Senator CURTIS. In your preliminary check, as you stated you wanted an accounting to find out the truth or falsity of these things, did you come into facts that caused you to believe that a profit may have been made concerning the sale of the Sand Lake property to the union or the building corporation?

Mr. BOLMAN. I did.

Senator CURTIS. Briefly tell us about that.

Mr. BOLMAN. I would say that I would refer to the record to be exact, but on just a general statement, the information that we evolved disclosed that the Will-O-Land Sportsmen's Club, which was made up of a group of Willys-Overland employees of which Mr. Gosser was president, had purchased a tract of land at Sand Lake.

After the purchase of the tract sold off a part of it, and then sold the residue to the Automotive Workers Building Corp., which was the holding company for local 12.

The original purchase price of the tract was \$9,500, purchased from the Depositors Liquidation Corp.

The CHAIRMAN. How was it paid for? Out of what fund was it paid for?

Mr. BOLMAN. It was paid by the Will-O-Land Sportsmen's Club membership. Subsequently a parcel of that tract was sold off to the Automotive Building—I beg your pardon—to Mr. Davis, for \$12,500, which reduced the size of the original tract of land and gave the Will-O-Land Sportsmen's Club a profit of \$3,000, thereby returning their original investment plus the profit of \$3,000.

Subsequent to that the property was sold to the Automotive Workers Building Corp. for \$21,000.

The CHAIRMAN. Is that the same tract that was in the first sale of \$12,500?

Mr. BOLMAN. The tract amounting to \$12,500 was not included in the tract that was sold to the Automotive Workers Building Corp.

The CHAIRMAN. In other words, that was of the remainder.

Mr. BOLMAN. That was the remainder.

The CHAIRMAN. It sold for \$21,000?

Mr. BOLMAN. \$21,000. The Will-O-Land Sportsmen's Club realizing a profit of \$24,000 on a \$9,500 investment.

The CHAIRMAN. What time elapsed from the time of the purchase at \$9,500 until the sales were made in the first part for \$12,500 and the next to the union holding company for \$21,000.

Mr. BOLMAN. I wouldn't be exact, but I would say approximately 4 years.

Senator CURTIS. This Will-O-Land Sportsmen's Club, was that headed by Mr. Gosser?

Mr. BOLMAN. Yes, sir.

(At this point Senators Kennedy and Goldwater withdrew from the hearing room.)

Senator CURTIS. Was every employee of Willys-Overland a member of that club?

Mr. BOLMAN. No, sir.

Senator CURTIS. It was a small club?

Mr. BOLMAN. Yes, sir.

Senator CURTIS. I think we had some documents in the record a week or two ago showing a rather limited membership of less than 200.

Mr. BOLMAN. We have testimony from the officers of the club that at its inception in 1942 there were 80 members, and gradually reduced to a membership of 25 in about 1948, I believe.

Senator CURTIS. With these questions brought to your attention, you asked for an accounting?

Mr. BOLMAN. I did.

Senator CURTIS. Tell us what you did first in seeking an accounting from the Automotive Building Corp.? That is the group, I believe, according to Mr. Gray, who owned the summer camp, is it not? They held title for local 12?

Mr. BOLMAN. The title of the summer camp property would have been held by the Automotive Workers Building Corp. That was the practice.

Senator CURTIS. So it was of that particular organization that you asked for an accounting?

Mr. BOLMAN. The Building Corp.; that is correct.

Senator CURTIS. Tell us what you did when you first asked for an accounting?

Mr. BOLMAN. At the meeting?

Senator CURTIS. Your first move to get an accounting.

Mr. BOLMAN. The actual first move to get an accounting was to request an examination of the records of the corporation.

Senator CURTIS. To whom did you make that request?

Mr. BOLMAN. The request to Mr. Gray, who was financial secretary of local 12.

Senator CURTIS. Was your request granted?

Mr. BOLMAN. It was not.

Senator CURTIS. Do you remember in substance what you were told?

Mr. BOLMAN. Just plain "No" as far as I can recall.

Senator CURTIS. Then what was the next thing you did?

Mr. BOLMAN. We made up a motion to present on the floor of the next regular meeting of the Automotive Workers Building Corp. requesting an accounting of the funds of the corporation.

Senator CURTIS. Were you alone in this? Were you the only member of local 12 who had raised questions about expenditures?

Mr. BOLMAN. No. The information had been brought to me by other people. I simply followed through on it.

Senator CURTIS. By other people, were they other union members?

Mr. BOLMAN. They were other members of local 12; yes, sir.

Senator CURTIS. So you were proceeding in your own right as a member and also on behalf of others that were interested?

Mr. BOLMAN. Exactly.

Senator CURTIS. Were there a number of others?

Mr. BOLMAN. I would say considerable.

Senator CURTIS. That you know of?

Mr. BOLMAN. Yes, sir.

Senator CURTIS. When you first asked the financial secretary to see the books you got a "No." Then what did you do?

Mr. BOLMAN. As I stated before, I attended a regular meeting of the Automotive Workers Building Corp. and presented a motion on the floor for an accounting of the corporation's records.

Senator CURTIS. May we have this identified, Mr. Chairman?

(The document was handed to the chairman.)

The CHAIRMAN. I hand you what purports to be a photostatic copy of minutes of Automotive Workers Building Corp. of October 14, 1949, and ask you to examine and state if you identify it.

Senator CURTIS. Mr. Chairman, if we may, we would like to have that submitted to Mr. Gray.

The CHAIRMAN. The question I just asked is directed to Mr. Gray.

(The document was handed to the witness.)

Senator CURTIS. What is that?

Mr. GRAY. It is the minutes of the Automotive Workers Building Corp.

Senator CURTIS. Prepared by who?

Mr. GRAY. Prepared by myself, with the exception of one change.

Senator CURTIS. What change is that?

Mr. GRAY. That is in regard to the Sunset Lodge.

The CHAIRMAN. Let us have it marked "Exhibit No. 34."

(Document referred to was marked "Exhibit No. 34" for reference and may be found in the files of the select committee.)

The CHAIRMAN. You say you recognize it and say it is prepared by you all except one thing, and that is something that has been changed?

Mr. GRAY. That is correct.

The CHAIRMAN. What is the change that has been made in it?

Mr. GRAY. Prior to Mr. Bolman giving me a motion asking for an accounting there was a motion made by Mr. Madrzykowski that Mr. Gosser should be given a life lease on Sunset Lodge.

Senator CURTIS. Was Sunset Lodge a cottage at the summer camp?

Mr. GRAY. That is correct. It seemed the way I had wrote it up originally it was liable to get us in trouble with the courts due to the fact that these lawsuits were pending. One of them was pending at that time, if I remember right. Anyhow, Mr. Goerlich, who is in the room here, had me change this to read in substance here:

Motion made and supported that the corporation, Gosser, use the Sunset Lodge in connection with the union activities regarding the summer camp, said use to extend as long as he had any duties with the summer camp. Motion carried.

There is none but on the basis of a life lease to be deeded.

The CHAIRMAN. Was this prepared after the meeting?

Mr. GRAY. This was made after the meeting from notes made.

The CHAIRMAN. So you wrote it up one way and then afterward you changed it?

Mr. GRAY. Yes, on the insistence of Mr. Goerlich.

Senator CURTIS. What was Mr. Goerlich's position at that time?

Mr. GRAY. He was an attorney for the UAW.

Senator CURTIS. He is a gentleman here in the room?

Mr. GRAY. Yes. I know him real well. It was on the basis of some court action it was changed. Just that one part.

Senator CURTIS. I am not shutting anyone off, but for the moment I want to develop something with Mr. Bolman. The balance of that is the minutes of the entire meeting that were prepared by you subject to this change you made?

Mr. GRAY. That is correct.

Senator CURTIS. Will you hand that to Mr. Bolman?

(The document was handed to the witness.)

Senator CURTIS. Mr. Bolman, you will notice that near the center of the first page, it says:

Motion made by John Bolman was read. Secretary asked to copy same due to length. Copy of motion:

That the Automotive Workers Building Corp. furnish in printed form for distribution to its membership a certified financial report covering the years 1946, 1947, 1948, and 1949, to and including September 30, 1949. This report to show the following information:

(1) Balance of all accounts itemized.

(2) Income itemized to show sources and amounts individually.

- (3) Expenditures itemized to show amounts, to whom paid, and purposes.
- (4) Assets, itemized to show liquid assets, property, equipment, et cetera.
- (5) Liabilities, itemized to show to whom obligated, amounts and purposes.

This report to be distributed to the membership of the Automotive Workers Building Corp. by November 30, 1949.

Mr. Bolman, was that the motion that you made?

Mr. BOLMAN. It was.

Senator CURTIS. Are there any charges or accusations in it or is it a simple request for an accounting?

Mr. BOLMAN. It is a request for an accounting.

Senator CURTIS. Where was this meeting held, if you recall?

Mr. BOLMAN. I believe exactly it would have been parlor A at the local 12 building at Ashland and Winthrop in Toledo, Ohio.

Senator CURTIS. Your memory is correct as to the size of the room. Are you able to estimate the size of the group that attended that night?

Mr. BOLMAN. I would estimate the size of the room to be approximately 30 by 60. I would say that the capacity of the room would probably have been a maximum of 300 people.

Senator CURTIS. Was it filled?

Mr. BOLMAN. It was to capacity and beyond.

Senator CURTIS. As your understanding as a member, were all members in good standing in local 12 eligible to attend this meeting?

Mr. BOLMAN. They were.

Senator CURTIS. About how many did they have at that time, Mr. Gray?

Mr. GRAY. Somewhere in the neighborhood, I think the report shows, 24,000 or 25,000.

Senator CURTIS. In 1949?

Mr. GRAY. That is right.

Senator CURTIS. Mr. Bolman, who was presiding over the meeting?

Mr. BOLMAN. I will refer to the minutes. The meeting was called to order by Harold Seren at 4 p.m.

Senator CURTIS. He was the president of local 12?

Mr. BOLMAN. He was the president of local 12.

Mr. KENNEDY. Had a suit been filed by this time?

Mr. BOLMAN. It had not.

Mr. KENNEDY. This was before any suits?

Mr. BOLMAN. Prior to any litigation.

Mr. KENNEDY. This was a meeting you held?

Mr. BOLMAN. Exactly.

Mr. KENNEDY. Had you seen an attorney by this time?

Mr. BOLMAN. I had not.

Mr. KENNEDY. You had not discussed it with anyone?

Mr. BOLMAN. No, sir.

Senator CURTIS. You were recognized for the purpose of making this motion?

Mr. BOLMAN. I was.

Senator CURTIS. What happened after you made it?

Mr. BOLMAN. If it be proper to refer to the minutes, I would say after the motion was made—I will read this from the minutes themselves—

Discussion was held on same. Murphy asked through the Chair if Bolman's motion was tied to the pension plan. Requested Bolman to reply through the

Chair. Bolman asked that his reply be in the form of a question. Was it not true that Murphy worked inside a plant in 1933 while it was on strike?

Shall I continue?

Senator CURTIS. Yes, please.

Mr. BOLMAN (reading):

Confusion followed Bolman's remarks. Ballard asked for the floor and gave a short talk on the motion. Amendment made and supported that Bolman explain reason for making the motion and submit proof to substantiate his charges against Murphy or apologize for his action. Amendment to the amendment made that Bolman give his reason or leave the room. Bolman said he did not care to state his reasons and left the meeting. Amendment to the amendment died for lack of support. Amendment to the motion was voted and carried. Vote taken on motion as amended. Motion lost. Motion made and supported recommending to local 12 that charges be filed against Bolman. Motion carried. Motion made and supported to adjourn. Motion carried. Meeting adjourned at 9:45 p.m.

Senator CURTIS. Now, is that a full report of everything that happened?

Mr. BOLMAN. Well, not in my estimation.

Senator CURTIS. You did leave the room?

Mr. BOLMAN. I did.

Senator CURTIS. Did you leave the room in the same condition you entered?

Mr. BOLMAN. I did not.

Senator CURTIS. What was the difference?

Mr. BOLMAN. The side of my face was smashed in.

Senator CURTIS. Tell what happened.

Mr. BOLMAN. When I presented this motion on the floor, of course the same tactic was used that always is used to cover up any of these things, and that is drag the red herring across the path.

So Mr. Murphy's question was based on personality in my estimation, and for that reason I presented him with a question based on personality.

Senator CURTIS. Who was Murphy?

Mr. BOLMAN. Murphy was at that time, someone will have to corroborate, but I believe he was an international representative and assistant to Mr. Gosser.

Senator CURTIS. All right; go ahead with your account.

Mr. BOLMAN. After I asked Murphy the question, he came down off the platform together with about 11 or 12 other people and everybody tried to take a punch at me at the same time.

The CHAIRMAN. Who took the punch at you?

Mr. BOLMAN. Murphy.

The CHAIRMAN. He was an international representative?

Mr. BOLMAN. He was an international representative, assistant to Mr. Gosser.

The CHAIRMAN. He was present at the meeting in that capacity as an international representative?

Mr. BOLMAN. Well, he was present at the meeting, and I imagine he was there representing Mr. Gosser, inasmuch as he was his assistant.

The CHAIRMAN. I am just trying to get information. I am trying to understand what Murphy's function was, why he was present. Was he a member of that union?

Mr. BOLMAN. Oh, yes; very definitely.

The CHAIRMAN. A member of that local?

Mr. BOLMAN. Yes, sir.

The CHAIRMAN. He was a member and also a representative?

Mr. BOLMAN. He was entitled to be there.

Senator CURTIS. By the way, what is Murphy's first name?

Mr. GRAY. Walter.

Senator CURTIS. Was he an international representative at that time?

Mr. GRAY. To the best of my recollection he was. He was administrative assistant.

Senator CURTIS. Did anybody hit you besides Mr. Murphy?

Mr. BOLMAN. Very much so.

Senator CURTIS. Did you remain on your feet or in your seat?

Mr. BOLMAN. No, I didn't.

Senator CURTIS. What happened to you.

Mr. BOLMAN. I went to the floor.

Senator CURTIS. Did you receive any blow other than on the face and head?

Mr. BOLMAN. I was slugged in the back by a few people, a fellow alongside of me was slugged in the back by a chair and he was in a cast for 6 months.

Senator CURTIS. Do you know his name?

Mr. BOLMAN. Clark.

Senator CURTIS. Do you know his first name?

Mr. BOLMAN. Charles.

Senator CURTIS. Had he taken any part in your motion?

Mr. BOLMAN. No, sir.

Senator CURTIS. Do you happen to know whether or not he supported your request for an accounting?

Mr. BOLMAN. I believe he did.

Senator CURTIS. Did anybody kick you?

Mr. BOLMAN. They were coming so thick and fast I could not tell whether they were hands or feet.

Senator CURTIS. How badly were you injured?

Mr. BOLMAN. The sigmoid on my right side was broken, across the face.

Senator CURTIS. That is a bone?

Mr. BOLMAN. Yes, sir.

Senator CURTIS. Go ahead.

Mr. BOLMAN. And on examination at the hospital, a bone specialist examined it and determined that it couldn't be repaired because of the danger to the optic nerve.

Senator CURTIS. What treatment was given you?

Mr. BOLMAN. None, and I suffered through.

Senator CURTIS. What hospital were you taken to?

Mr. BOLMAN. Toledo Hospital.

Senator CURTIS. Do you recall about how long you were there?

Mr. BOLMAN. Just for examination and for X-rays.

Senator CURTIS. You were X-rayed and examined and went through all of that process, but you were not confined to the hospital for the days that continued?

Mr. BOLMAN. No, sir.

Senator CURTIS. Would you regard this as a severe injury accompanied by considerable pain?

Mr. BOLMAN. It didn't feel very well.

Senator CURTIS. Well, what I mean by that, we want the record to truly reflect the facts. Did you regard that you had received a serious blow, or a slap that might come in a scuffle?

Mr. BOLMAN. At that particular time I regarded it as very serious, yes, sir.

Senator CURTIS. How do you regard it now?

Mr. BOLMAN. It is still serious.

Senator CURTIS. It still bothers you some?

Mr. BOLMAN. Yes.

Senator CURTIS. This Ballard mentioned in the minutes here—who is Ballard?

Mr. BOLMAN. Ballard at that time, I believe, was regional director of 2-B.

Senator CURTIS. He is in this room?

Mr. BOLMAN. He is.

Senator CURTIS. Mr. Gray, were you present in the meeting when this happened?

Mr. GRAY. Oh, yes; I was the secretary.

Senator CURTIS. And you, of course, heard Mr. Bolman make his motion?

Mr. GRAY. Oh, yes. And in fact, I asked him for a copy because it was quite lengthy.

Senator CURTIS. What is your recollection as to what you saw in reference to Mr. Bolman getting hurt?

Mr. GRAY. Well, as I recall it, I didn't know what was going on at the particular time, and of course my office is just adjacent to this particular meeting hall. So I usually get in there about the last minute just before the meeting starts, as a rule, and of course if I remember rightly, there was a local meeting prior to that.

Anyhow, when I first went to this room where they had this meeting I saw quite a group of people there, which is very unusual, and I didn't know what was going on.

Senator CURTIS. This is the meeting where he made his motion?

Mr. GRAY. That is right. And, in fact, I couldn't hear what it was, so I walked in and I said to Ballard, what is all of the commotion about? And he said, "They are going to take care of Bolman."

I didn't know what Bolman was up to or anything about it.

Senator CURTIS. This was before the meeting started, that Mr. Ballard said they were going to take care of Bolman?

Mr. GRAY. That is correct. And I didn't ask him why, and I didn't know what Bolman had done, whether he had pushed some of the boys around or something might have been said that they didn't like, and I didn't know.

So the result was I went up to the front, and we had our meeting. Then when Bolman got up with this particular motion, it seemed as though it made Murphy kind of mad, and he rushed over, or he was sitting around, and he went around to take a swipe at Bolman, and I couldn't tell who was hitting who, because it was quite a commotion going on in the hall and everybody swinging and shoving.

But Murphy did rush down in front of me, because I was sitting on the front platform.

Senator CURTIS. You were sitting near the front?

Mr. GRAY. Yes, and I was facing the audience.

Senator CURTIS. And you did see Murphy go from the front part of the room down to the area where Mr. Bolman was?

Mr. GRAY. He was sitting on the first row, I think, Murphy was, and Bolman was sitting back in the third or fourth row, or maybe the fifth row.

Senator CURTIS. By the time the fists and chairs started to fly, do I understand that you are not purporting to report just who did the hitting, and so on?

Mr. GRAY. I saw Murphy hit him first, and that seemed to set it all off.

Senator CURTIS. You did see Murphy hit him?

Mr. GRAY. He came like that, and maybe it was accidental, I don't know.

Senator CURTIS. Where was Ballard while this was happening?

Mr. GRAY. I don't recall, and he usually hung out in the back of the hall, and I don't remember whether he was in the particular room at the particular time, and I only met Ballard when I first went in the room.

Senator CURTIS. Now, at this time, this meeting was in October of 1949, Mr. Gray, you were still the recording secretary?

Mr. GRAY. That is correct.

Senator CURTIS. You had not had a break with Mr. Gosser or other union officials at that time?

Mr. GRAY. We were feuding back and forth, but not an open break.

Senator CURTIS. You were still loyally performing your duties, even though you were raising some questions about some of these things?

Mr. GRAY. At least they seemed to be satisfied.

Senator CURTIS. But what I am getting at is this: You were not a party to Mr. Bolman's motion?

Mr. GRAY. Oh, no. I didn't know anything about it until he read it off in the meeting, and that is why I asked Ballard what all of the commotion was about, why they had such a big meeting, and I didn't even know about the meeting being stacked.

Senator CURTIS. I want to ask you this, Mr. Gray: I have read the motion that was made. He asked for certified financial report and breaks it down as to balances, income, expenditures, assets, and liabilities.

To the best of your recollection, Mr. Gray, that constituted all that Bolman said?

Mr. GRAY. That is correct.

Senator CURTIS. Did he make any charges in your presence or hurl any accusations or violent language or name calling?

Mr. GRAY. He didn't make any accusations, and he just made that motion, and I said to John, "Well, this is lengthy, and I am not a short-hand fellow. Pass me a copy of it so I can take it down the way you had it," which he did, and he brought it up to the front and gave it to me. Then he and Murphy got in a squabble and Murphy asked him a question as to why he was putting it in.

Senator CURTIS. In other words, it was what it purports to be, a request of a rank and file member for financial information.

Mr. GRAY. Oh, certainly, there was nothing wrong with his request.

Mr. KENNEDY. At that time, Mr. Bolman, had you taken a stand on this pension—

Mr. BOLMAN. You need not finish. I had not, and I didn't even know anything about the pension plan.

Mr. KENNEDY. Do you know why they raised that question?

Mr. BOLMAN. Sure, I know why they raised it. It was the old red herring, as I explained before.

Mr. KENNEDY. Did you ever take a stand on the pension?

Mr. BOLMAN. I never did.

Mr. KENNEDY. You never did?

Mr. BOLMAN. I had no knowledge of the pension plan, and didn't know what it consisted of or anything else.

Mr. KENNEDY. Later on you never took a stand either?

Mr. BOLMAN. I never took a stand on the pension issue.

Mr. KENNEDY. Did you ever hand out leaflets or pamphlets?

Mr. BOLMAN. I did not.

Mr. KENNEDY. In opposition to the pension?

Mr. BOLMAN. I did not.

Mr. KENNEDY. Evidently, this committee, the Committee To Save Toledo Payrolls?

Mr. BOLMAN. I think that is what they referred to.

Mr. KENNEDY. They were in opposition to the pension; is that correct?

Mr. BOLMAN. Well, I believe that there was some publications issued that took that particular point of view.

Mr. KENNEDY. As I understand, too, I believe it was Mr. Gosser's idea, and the officials from the union, who were trying to put this pension into operation, and it was being opposed by the Committee To Save Toledo Payrolls.

Did you ever have anything to do with the Committee To Save Toledo Payrolls?

Mr. BOLMAN. None whatever.

Mr. KENNEDY. Did you ever have any meetings with them?

Mr. BOLMAN. I did not.

Mr. KENNEDY. Did you subsequently obtain an attorney to handle your case?

Mr. BOLMAN. Did I what?

Mr. KENNEDY. Have an attorney handle your case?

Mr. BOLMAN. In regard to the litigation, yes.

Mr. KENNEDY. Was that litigation against Mr. Gosser?

Mr. BOLMAN. Well, here is a copy of the amended petition, and I will read the caption: "Vs. Richard T. Gosser, individually, and as president and chairman of the board of trustees of defendant, the Automotive Workers Building Corp., an Ohio corporation, and as president and chairman of the organizing committee of defendant, Will-O-Land Sportsmen's Club, Inc., an Ohio corporation, Secor Hotel, Toledo, Ohio."

Mr. KENNEDY. You had an attorney represent you in those cases?

Mr. BOLMAN. I did.

Mr. KENNEDY. And you paid your attorney?

Mr. BOLMAN. I did not.

Mr. KENNEDY. Who paid the attorney?

Mr. BOLMAN. I don't know.

Mr. KENNEDY. You don't know?

Mr. BOLMAN. I do not.

Mr. KENNEDY. You have no idea who paid the attorney?

Mr. BOLMAN. I do have an idea.

Mr. KENNEDY. What is your idea?

Mr. BOLMAN. The idea was disclosed in the testimony by Paul Block, that he had furnished funds for the attorneys.

Mr. KENNEDY. How much money did he furnish?

Mr. BOLMAN. I do not know.

Mr. KENNEDY. Who was Paul Block?

Mr. BOLMAN. Paul Block was the publisher of the Toledo Blade.

Mr. KENNEDY. How did you happen to retain this attorney?

Mr. BOLMAN. How did I happen to retain him? Frankly, I don't recall, Mr. Kennedy.

Mr. KENNEDY. Your memory seems to be so good on these other things, and I wonder why it suddenly falls down.

Mr. BOLMAN. I have records on these other things, Mr. Kennedy. I don't have records on that.

Mr. KENNEDY. How many times have you been arrested, Mr. Bolman?

Mr. BOLMAN. I would say two or three times.

Mr. KENNEDY. How many times have you been convicted?

Mr. BOLMAN. Twice.

Mr. KENNEDY. Three times, would it be?

Mr. BOLMAN. All right, let us say three. You have the record, and put it in evidence.

Mr. KENNEDY. You have been arrested many more times than three times.

Mr. BOLMAN. I recall one thing—

Mr. KENNEDY. I am trying to get your memory refreshed.

Mr. BOLMAN. Let me answer it in my own way, if you don't mind. I won't say that I am ignorant of it.

The CHAIRMAN. A little louder, please.

Mr. BOLMAN. I wouldn't say that I am ignorant of the proceedings in this hearing, and I think we can be adults about this, too. That is that I understand the point, and I understand the object in checking the credibility of a witness, but I would like to point out something else, too: I recall statements made to the effect that because these cases were approximately 10 years old, that they had no real value and now it seems as though something that happened 30 years go seems to be mighty important.

The CHAIRMAN. Go ahead and answer the question.

Mr. KENNEDY. Tell us what your arrests and convictions were.

Mr. BOLMAN. If you have the record, put it in evidence.

The CHAIRMAN. I am trying to talk, and please let me finish.

Mr. BOLMAN. I wouldn't recall.

The CHAIRMAN. Answer the question.

Mr. BOLMAN. I have answered the question.

The CHAIRMAN. As to the number of convictions and the time of it, as near as you can.

Mr. BOLMAN. I have answered the question to the best of my knowledge.

The CHAIRMAN. All right.

Mr. KENNEDY. You have no idea how many times you have been in jail?

Mr. BOLMAN. I wouldn't make a guess. Thirty years is a long time.

Mr. KENNEDY. How many times have you been in jail?

Mr. BOLMAN. Several times.

Mr. KENNEDY. How many different prisons have you been in?

Mr. BOLMAN. A couple.

Mr. KENNEDY. Two of them?

Mr. BOLMAN. Yes.

Mr. KENNEDY. What was that for? Do you remember the convictions?

Mr. BOLMAN. Burglary.

Mr. KENNEDY. Both times?

Mr. BOLMAN. Yes, sir.

Mr. KENNEDY. Now, how much did you understand this attorney was being paid?

Mr. BOLMAN. I wouldn't have any idea.

Mr. KENNEDY. How did you happen to retain this attorney, and who suggested it to you?

Mr. BOLMAN. I wouldn't recall how it was done.

Mr. KENNEDY. You can't remember that either?

Mr. BOLMAN. I wouldn't recall whether I contacted them or they contacted me.

Mr. KENNEDY. What was the name of the attorney?

Mr. BOLMAN. The firm was Smith and Ells.

Mr. KENNEDY. Who sent you to the attorney?

Mr. BOLMAN. I believe it was a telephone conversation, if I am not mistaken.

Mr. KENNEDY. Who?

Mr. BOLMAN. I believe from Mr. Ells.

Mr. KENNEDY. You mean the attorney called you?

Mr. BOLMAN. I believe so, and I wouldn't swear positively.

Mr. KENNEDY. Now, as I understand it, who was the attorney that telephoned you?

Mr. BOLMAN. I wouldn't swear positively to it.

Mr. KENNEDY. Positively or your best recollection, who was the attorney who telephoned you?

Mr. BOLMAN. It would have been Mr. Ells.

Mr. KENNEDY. I can't hear you very well.

Mr. BOLMAN. I say it would have been Mr. Ells.

Mr. KENNEDY. How do you spell his name?

Mr. BOLMAN. Ells, E-l-l-s.

Mr. KENNEDY. Mr. Ells telephoned you and said he wanted to represent you?

Mr. BOLMAN. I wouldn't say that positively.

Mr. KENNEDY. Is that your best recollection?

Mr. BOLMAN. To my best recollection.

Mr. KENNEDY. Didn't that shock you, that such an attorney would call and request to represent you? Don't you know that action could be taken against him by the ethical practices committee?

Mr. BOLMAN. Hardly anything shocks me any more.

Mr. KENNEDY. So what did you say? You said you would allow him to represent you?

Mr. BOLMAN. I said if I recall rightly, that I would normally say, not having recalling the conversation, I would normally say that anyone who would have been interested in these particular cases, I would be willing to talk to.

Mr. KENNEDY. So did you go and talk to him?

Mr. BOLMAN. I did.

Mr. KENNEDY. Who else did you talk to?

Mr. BOLMAN. His law partner, Mr. Smith.

Mr. KENNEDY. Did you make arrangements for them to represent you then?

Mr. BOLMAN. I agreed to them.

Mr. KENNEDY. Was there any discussion about fee at that time?

Mr. BOLMAN. Yes, sir.

Mr. KENNEDY. What was the discussion?

Mr. BOLMAN. I told them very definitely that I was unable to pay any fees in the lawsuit.

Mr. KENNEDY. What did they say?

Mr. BOLMAN. They told me not to worry about it.

Mr. KENNEDY. Did you inquire as to who was paying them?

Mr. BOLMAN. I did not.

Mr. KENNEDY. Didn't it occur to you at that time that you were perhaps being used by some employers in the area—wait a minute—that you were being used at that time by some employers in the area who were opposed to Mr. Richard Gosser, and you were just merely a front for them?

Mr. BOLMAN. Mr. Kennedy, it didn't occur to me that anyone might have been behind these attorneys. The only thing that I was interested in was the facts as stated in the petition, and there is a copy of it.

Mr. KENNEDY. Who drew up that petition?

Mr. BOLMAN. Who drew up the petition? The attorneys.

Mr. KENNEDY. Here are the attorneys under very unusual circumstances. You don't contact them. They contact you, and you go and visit with them, and they tell you that you don't have to pay them, somebody else pays them. During this same period of time the employers were getting together and were opposing Richard Gosser.

I would like to say, Mr. Chairman, this is the very thing that we went out and investigated. Our two investigators went out there and talked to these attorneys, and they admitted that these charges were all a fraud, that they couldn't sustain the charges, and that they went to this man, and the charges were then brought because the employers wanted to ruin the pension plan in Toledo.

Mr. Block admits it at this time, and so did the attorneys admit it.

Senator CURTIS. Just a minute.

Mr. KENNEDY. The attorneys admit that the charges made against Mr. Richard Gosser regarding financial irregularities were a fraud. There was nothing to support them. And the fact that they at that time were being paid by this group.

I think that your testimony supports that.

Senator CURTIS. Now, in reference to Mr. Kennedy's testimony, I wonder if the report of the two investigators that went out there does contain the statement that the attorneys said that the charges were false and fraudulent.

Mr. KENNEDY. Mr. Tierney can testify to that. It is in the written report. Mr. Tierney can testify also; we can call him right away. This was reported to you, Senator, at a meeting at the time that the attorney made the statement that there was nothing to any of these charges, and that they were using these people in order to try to defeat

the pension plan in Toledo. They admitted in 1951 this was the reason. That is why this whole hearing is such a fraud.

Senator CURTIS. Now, you can brand this as a fraud if you want to, but your line about this pension plan is Walter Reuther's line, and Joe Rauh's line.

This morning I sat here and took a chastisement from you as an employee of this committee. If you want to ask any questions, all right, and if you want to testify, you be sworn.

Mr. KENNEDY. I am just telling the truth, and I don't care who else says it. I am telling the truth.

Senator CURTIS. Just a moment.

The CHAIRMAN. Let us get back on the track.

Are there any questions?

Senator CURTIS. Yes; I want to proceed with this.

Mr. Bolman, this serious trouble that you were in and you say you served time for, about how long ago did that take place?

Mr. BOLMAN. I say approximately 30 years ago.

Senator CURTIS. Where have you lived since that time?

Mr. BOLMAN. In Toledo.

Senator CURTIS. And you are in business there?

Mr. BOLMAN. That is right.

Senator CURTIS. And you have held employment since?

Mr. BOLMAN. That is right.

Senator CURTIS. Have you been in any serious trouble since?

Mr. BOLMAN. No, sir.

Senator CURTIS. And approximately how old were you when you got in trouble?

Mr. BOLMAN. The last time, 21.

Senator CURTIS. And how old are you now?

Mr. BOLMAN. I am 48.

Senator CURTIS. Now, Mr. Bolman, mention has been made of Mr. Block, and I want to say to Mr. Kennedy, regardless of what employers may have said or done, and I do not know because I am not interested in that, or pursuing that, and I might if I had time, but the fact remains that here a rank-and-file member went to a union, not hurling charges or accusations and he made a motion for a financial accounting, and he had his jaw broken, and he was knocked down.

Mr. KENNEDY. Did he bring charges on that?

Mr. BOLMAN. I did.

Mr. CURTIS. We will come to that.

Mr. KENNEDY. Can we find out?

Senator CURTIS. I don't know that we can ever straighten it out to you, Mr. Reuther, and Joe Rauh.

Mr. Chairman, I have taken enough of that.

The CHAIRMAN. The Chair is going to have to handle this thing with a little authority, if we keep on this way. Don't think I won't use it.

Senator CURTIS. Very well. I apologize to the Chair if I have said anything that I shouldn't.

The CHAIRMAN. Proceed.

Senator CURTIS. Mention has been made of Mr. Block. He publishes the paper there.

Mr. BOLMAN. That is right.

Senator CURTIS. Now, the fact that you as a young man were in trouble has been publicized?

Mr. BOLMAN. Oh, yes; and I think I have an editorial here somewhere covering the subject.

Senator CURTIS. Who wrote it, or in whose paper did it appear?

Mr. BOLMAN. Mr. Block's paper.

Senator CURTIS. Will you read it?

The CHAIRMAN. I don't think that that is important.

Mr. BOLMAN. Let it be filed as an exhibit, if you care to.

Senator CURTIS. Mr. Chairman, the counsel of this committee injected the record of this man's offenses occurring when he was 21, and he has lived in this community continuously and it has been publicized there, and I ask for a reference of that.

The CHAIRMAN. I have no objection to the editorial being made a part of the record, and it is a question now, Senator, if you want to take up all of this time, because I am going to try to bring these things to a close pretty soon.

Senator CURTIS. How long is the editorial?

Mr. BOLMAN. Here it is.

The CHAIRMAN. Do you want him to read all of that?

Senator CURTIS. I would like very much.

The CHAIRMAN. Let me see the editorial, and I don't even know what it is in there.

Now, this is the way we kill a lot of time.

Senator CURTIS. It takes almost as much time as Mr. Rauh takes.

The CHAIRMAN. The Chair thinks he has handled Mr. Rauh pretty well in these hearings, and I think that he will agree.

Senator CURTIS. I am referring to Mr. Rauh and not to the Chair's action.

(The document was handed to the chairman.)

The CHAIRMAN. If I understand this, this is an editorial in which Mr. Gosser's record is commented upon, is that correct?

Senator CURTIS. Mr. Gosser volunteered the information. I did not ask it.

The CHAIRMAN. I think you are wasting a lot of time. The Chair has no objection if you want to waste the time, but I am going to bring these hearings to a close some of these days. I am sure of it.

Senator CURTIS. I did not inject the issue in here and I think it should be explored after once injected.

The CHAIRMAN. We may not get down to something very important that you want to get in because I am not going to stay here all the time with these hearings. If you get at something pertinent, get it in here and get these facts and get them up here so we can evaluate the case, that is fine. I am perfectly willing to do that and help you to get down to that which is pertinent, the crux of the thing, and make a case if there is a case here. We can go on here and waste a tremendous amount of time. I am perfectly willing to accept it as an exhibit and you can refer to any part you want to. If you want to read it on the record, I will let you do it, but I will say you are taking unnecessary time.

Senator CURTIS. Proceed.

Mr. BOLMAN. It is an editorial not dated. If you check the files of the paper you can ascertain the date. The editorial is headed "Mr. Gosser's Police Record."

In addressing members of Local 12 of the UAW-CIO last week, Richard Gosser, an international vice president of the union, asserted that the Blade did not dare publish his police record.

Here it is—as taken from the files of the Toledo Police Department:

"Record of Richard Thomas Gosser alias Richard McMullen, Richard Goffer, Richard Goofer.

"Photo No. 10067.

"Fingerprint classification.

"7-2-1920: As Richard Thomas Gosser, No. 10067 arrested PD Toledo, Ohio, on charge Suspicion (Auto Theft).

"7-6-1920: Released by Inspector of Dets. Wm. Delehanty.

"8-16-1920: As Richard Gosser arrested PD Toledo, Ohio, on charge of Susp. Person.

"8-18-1920: Thirty days and costs; days suspended on payments of costs.

"3-2-1921: As Richard McMullen arrested PD Toledo, Ohio, on Fug. from Justice—wanted at Monroe Co. for Burglary.

"3-15-1921: Released on bail by Clerk Krieger.

"3-18-1921: Held to Grand Jury bail \$750 by Judge Austin, on charge Rec. and Conc. stolen property.

"3-20-1921—Indictment No. 12477 for Rec. and Conc. Stolen property filed.

"4-8-1921—Pleaded Not Guilty before Judge Johnson in Ind. No. 12477.

"10-14-1925—Indictment No. 12477 Nolled by Judge Ritchie.

"5-1-1921—As Richard Gosser arrested PD Toledo, Ohio, on charge Fug. from Just., wanted at Monroe, Mich., for holdup and robbery.

"5-5-1921—Turned over to Sheriff Frank J. Gessner of Monroe, Mich.

"6-4-1921—Held to Circuit Court by Judge Wm. F. Danz, of Monroe, Mich.

"6-6-1921—Pleaded Guilty before Judge Root.

"6-6-1921—Sentenced to Michigan Reformatory, Ionia, Mich., to serve term of 2½-15 years by Judge Root.

"6-6-1921—As Richard Thomas Gosser, No. 10694, recd. Michigan State Reformatory, Ionia, Mich., from Monroe Co. on charge Highway Robbery, under sentence 2½-15 years.

"12-7-1932—First parole granted to Monroe, Mich., for 1 year, not to leave the State.

"1-10-1925—Discharged."

As Mr. Gosser pointed out in self-justification to his audience at Scott High School, it is possible in this Nation for a young person to do wrong, pay his debt to society, and rehabilitate himself.

Having delivered himself of those noble sentiments, however, the proceeded to put the finger on his ex-brother in local 12, John A. Bolman, who was expelled from the union for accusing Mr. Gosser of mishandling the operations of one of the local's auxiliary operations. Mr. Gosser spread the word that Mr. Bolman also had been compelled to repay society for some youthful peccadillos or—as the UAW vice president put it—Mr. Bolman is as much an ex-convict as he is.

Returning again to police files, it is a matter of public record that Mr. Bolman ran afoul of the law at the tender age of 14 when a Lucas County court committed him to the Lancaster Industrial School for truancy.

At the age of 19 he was convicted of burglary and served 19 months in the Ohio State Reformatory. His police record closes with a second conviction for burglary when he was 21 and for which he served a term in the Michigan State Prison at Jackson.

For a good many years the Blade has known these things. Perhaps we erred in not making them public before. But it was our opinion, too, that once a man had paid a penal debt to society he should be permitted to rehabilitate himself without having his past thrown up in his face.

Unhappily, Mr. Gosser, delivering himself of that tirade the other night, was not content to let sleeping dogs lie. Apparently, he thought that the Blade would not dare publish his police record because Mr. Bolman's was just as bad. Or possibly, he was willing to do anything to divert attention from the main issue, which is the tangled affairs of local 12.

In any event, once these innuendoes were made public the Blade had no choice but to publish these police records, with some reluctance, so that all the people of Toledo, all the members of local 12 could understand them.

Thank you Mr. Kennedy.

The CHAIRMAN. What purpose can that possibly serve? I think the Chair was wrong in admitting it on reflection. The only purpose it could possibly serve would be to go to the credibility of Mr. Gosser insofar as he made admissions with respect to his past criminal record. The comments of the editor with respect to his views or the person writing an editorial is not evidence. The Chair will admonish those who read the record that by the Chair it will not be considered as evidence. Proceed.

Senator CURTIS. Mr. Bolman, I will just ask you one question about these records of offenses. In your opinion did either Mr. Gosser's unfortunate conduct and his punishment or yours have any relation to the controversy that impelled you to seek an accounting of the funds of the Automotive Building Corp.?

Mr. BOLMAN. None whatever.

Senator CURTIS. Subsequent to making this motion, were you expelled from the union?

Mr. BOLMAN. I was.

Senator CURTIS. Do you know about how long that happened after that?

Mr. BOLMAN. Referring to a resolution by the UAW international executive board, the expulsion action was taken January 27, 1958. I beg your pardon.

Senator CURTIS. That would be the following January from the time the expulsion was made?

Mr. BOLMAN. That is correct.

Senator CURTIS. In the meantime had you taken your case or cases to court?

Mr. BOLMAN. The petition was filed.

Senator CURTIS. You had, had you not?

Mr. BOLMAN. I had.

Senator CURTIS. Did you file more than one case?

Mr. BOLMAN. There were three actions.

Senator CURTIS. You have copies of the petitions there?

Mr. BOLMAN. I do.

Senator CURTIS. Mr. Chairman, I do not want them put in the record, but we might make them as exhibits.

Mr. BOLMAN. I have a copy of one action.

Senator CURTIS. You don't have but the one?

Mr. BOLMAN. Just the one.

The CHAIRMAN. That may be made exhibit 35.

(The document referred to was marked "Exhibit No. 35" for reference and may be found in the files of the select committee.)

Senator CURTIS. Now, Mr. Bolman, as you understand it as a layman, what were each of these three suits for?

Mr. BOLMAN. I believe that the basic issue in one was whether or not a member of a nonprofit corporation would have the right to inspect the books and records of such corporation in the same manner as a stockholder would have in a profit corporation.

Senator CURTIS. Referring to the Automotive Workers Building Corp.?

Mr. BOLMAN. That is right. That was the basic question at law, I believe, and was ultimately ruled on by the Ohio State Supreme Court.

Senator CURTIS. Who won that?

Mr. BOLMAN. The Ohio State Supreme Court upheld the contention that a member of a nonprofit corporation did have the right to inspect the books and records of that corporation.

The CHAIRMAN. Did have?

Mr. BOLMAN. They did have. One of the other two actions was to enjoin the giving of property belonging to local 12 to Mr. Gosser. The third action was—

Senator CURTIS. Can you specify what property?

Mr. BOLMAN. That property would have been the Sunset Lodge referred to by Mr. Gray previously in which the action was taken at a membership meeting to provide a life lease on this piece of property that belonged to local 12. That was Sunset Lodge.

The CHAIRMAN. What was the outcome of that suit?

Mr. BOLMAN. I believe the injunction was issued and the gift was never made.

The CHAIRMAN. All right, proceed.

Senator CURTIS. What was the third suit about?

Mr. BOLMAN. The third suit was to enjoin the sale of a piece of property known as the TIUC Building, and I believe that injunction was granted.

Senator CURTIS. Was there any other suit?

Mr. BOLMAN. No, sir.

Senator CURTIS. Any suit for damages?

Mr. BOLMAN. No, sir.

Senator CURTIS. Who paid the costs of these suits after they were over? I am referring to court costs, the litigation costs. Do you know?

Mr. BOLMAN. I believe the journal entry on the case covered the payment of approximately \$7,000 for expenses to attorneys who represented me.

The CHAIRMAN. Who paid that?

Mr. BOLMAN. I beg your pardon?

The CHAIRMAN. Who paid that?

Mr. BOLMAN. The UAW paid for it for Mr. Gosser. A further direction of the court was that the Will-O-Land Sportmen's Club property at Clare, Mich., be deeded to the Willys-Overland unit, that is the membership of the Willys-Overland unit, who at that time held a mortgage on the property. That would have been for the use of the members of that unit.

Senator CURTIS. In other words, to a substantial degree, if not all, the court sustained you in your contention.

Mr. BOLMAN. I feel that they did in spite of the fact that the real issues of the case were never heard in open hearing in the court. It was an out-of-court settlement.

Mr. KENNEDY. The court did not sustain you. I think we better get the record straight.

Senator CURTIS. I was going to ask that. Did the defense consent to the findings?

Mr. BOLMAN. I believe so.

Mr. KENNEDY. There were no findings.

Mr. RAUH. They were dismissed.

The CHAIRMAN. Were they settled out of court? Is that what you mean?

Mr. BOLMAN. That is right.

(Members present at this point were Senators McClellan and Curtis.)

Senator CURTIS. I have here a decision, or a copy to inspect the books and the records which upheld Mr. Bolman. I would have you look at that to see if you feel it proper to make an exhibit.

The CHAIRMAN. Any part of a court record would be.

(The document was handed to the chairman.)

Senator CURTIS. It is a copy of the decision; I do not believe it is a certified copy.

Mr. KENNEDY. Senator, is that on the merits of the case?

Senator CURTIS. This is on his right to inspect the books.

Mr. KENNEDY. Yes; but where he said he was sustained by the court, as I understand, the court dismissed the charges he brought.

Senator CURTIS. And the union paid the expenses.

Mr. KENNEDY. By consent. When he said he was sustained, we should clear the record to say that the court sustained or dismissed, rather, the charges. Did you receive any payment during this time?

Mr. BOLMAN. Outside of unemployment compensation; no.

Mr. KENNEDY. Nobody paid you any money at all?

Mr. BOLMAN. No, sir.

Mr. KENNEDY. Directly or indirectly?

Mr. BOLMAN. No, sir.

The CHAIRMAN. Did anyone check the records to ascertain whether it is a correct copy?

Senator CURTIS. No. Mr. Bolman may identify it.

The CHAIRMAN. I present you what may be a copy of the court record in the case of *John A. Bolman, Appellee, v. Automotive Workers Building Corporation and Others, Appellants*, in the courts of appeals in Lucas County, Ohio, in which apparently some decree was rendered. Will you examine this and state if you can identify it as the order of the court in that case? Don't testify to it unless you know what you are talking about. I don't know whether it is a correct copy or not.

(The document was handed to the witness.)

Mr. BOLMAN. I can read the last paragraph, which I think would explain it.

The CHAIRMAN. No; I want it identified first.

Mr. BOLMAN. I can't identify it.

The CHAIRMAN. What is the document you have before you? The Chair has admonished you not to identify it unless you know what you are doing. It may be correct. I don't know.

Mr. BOLMAN. I would say this is a copy of the pleading in the case.

The CHAIRMAN. Do you recognize it as such?

Mr. BOLMAN. I do.

The CHAIRMAN. I think it is an order of the court, is it not?

Mr. BOLMAN. I believe so.

The CHAIRMAN. You said a pleading. There is a difference in the legal terminology of a pleading and an order of the court.

Mr. BOLMAN. Inasmuch as this has been—

The CHAIRMAN. Is that what the court decided what you had before you?

Mr. BOLMAN. That is right.

The CHAIRMAN. And you recognize it as such?

Mr. BOLMAN. I think I would have to go over it. Since you say the time is short here—

The CHAIRMAN. If you say you know what it is, that is all right. I did not want you to make some mistake here.

Mr. BOLMAN. The things that I recall, Senator McClellan, in this case—

The CHAIRMAN. To the best of your observation and knowledge at the moment, it is, is that correct?

Mr. BOLMAN. Yes, that is right.

The CHAIRMAN. It may be made exhibit No. 36.

(The document referred to was marked "Exhibit No. 36" for reference and may be found in the files of the select committee.)

Senator CURTIS. Mr. Bolman, I appreciate Mr. Kennedy's correction on the disposition of those two suits, because we want the record to be as accurate as we can. I realize you are not an attorney, but is this your understanding? The one case went to the Supreme Court on your right to inspect the books and you received a favorable decision.

The other cases were dropped and settled and the union paid the expense?

Mr. BOLMAN. That is right. I would like to elaborate further on that for Mr. Kennedy's information. In Ohio, and particularly in the courts of Toledo, they have a system called pretrial conferences. I believe if we check back we will find that these settlements were made and agreed to during a pretrial conference. That is one method that is used of disposing of cases that are on the docket when the docket becomes clogged.

(At this point Senator McClellan withdrew from the hearing room.)

Senator CURTIS. You ultimately were expelled from the union?

Mr. BOLMAN. Yes, sir.

Senator CURTIS. Did that have any relation to the fact that you filed these suits?

Mr. BOLMAN. According to Mr. Mazey's letter it had everything to do with my expulsion.

Senator CURTIS. Did you have any conferences with any union officials, Mr. Mazey or Mr. Reuther or anyone else, in reference to filing these suits and in reference to the action taken that led to your expulsion?

Mr. BOLMAN. I did.

Senator CURTIS. Who was present?

Mr. BOLMAN. The entire UAW executive board on one occasion that I recall.

Senator CURTIS. Was Mr. Reuther there?

Mr. BOLMAN. Mr. Reuther chaired the meeting.

Senator CURTIS. About when was that?

Mr. BOLMAN. January. I will refer to the resolution of the international executive board. January 26, 1950, at Detroit-Leland Hotel in Detroit, Mich.

Senator CURTIS. Was anything said about withdrawing the suits?

Mr. BOLMAN. Definitely. That was the basis for the meeting.

Senator CURTIS. Who insisted that the suits be withdrawn, anyone?

Mr. BOLMAN. Mr. Reuther.

Senator CURTIS. Why?

Mr. BOLMAN. He insisted that the grievance machinery within the constitution of the UAW could be utilized to dispose of the matter.

Senator CURTIS. Those suits were then settled as you have testified?

Mr. BOLMAN. No, they were not. They were still in the process of litigation.

Senator CURTIS. I mean were they later?

Mr. BOLMAN. They were later, Senator.

Senator CURTIS. Did you consent to withdraw them at that time?

Mr. BOLMAN. I did not.

Senator CURTIS. What happened when you refused to drop them?

Mr. BOLMAN. I received a notice of expulsion.

Senator CURTIS. In other words, you went to this meeting—I will withdraw that.

(At this point Senator McClellan entered the hearing room.)

Senator CURTIS. Mr. Chairman, I would like to have this document identified.

(The document was handed to the chairman.)

The CHAIRMAN. I hand you here what purports to be a copy of a letter dated January 30, 1950, addressed to John A. Bolman from Emil Mazey, secretary-treasurer, and to it is attached what purports to be a copy of a resolution. I will ask you to examine them and state if you identify the letter and the resolution?

(The document was handed to the witness.)

Mr. BOLMAN. That is a copy of the correspondence.

The CHAIRMAN. What is the letter and what is the resolution?

Mr. BOLMAN. The letter from the International Union UAW, Detroit, Mich., dated January 30, 1950, addressed to myself, signed by Emil Mazey, secretary-treasurer of the UAW.

The CHAIRMAN. What is the purport or effect of the resolution attached? What did it do?

Mr. BOLMAN. The resolution:

Be it resolved, That said John A. Bolman be and hereby is expelled from membership in and to—

The CHAIRMAN. It was a resolution expelling you from the union.

Mr. BOLMAN. Exactly.

The CHAIRMAN. The letter and the resolution may be made exhibit Nos. 37 and 37-A respectively.

(The documents referred to were marked "Exhibits Nos. 37 and 37-A" for reference and may be found in the files of the select committee.)

Senator CURTIS. Mr. Bolman, to what unit of the UAW did you belong at that time?

Mr. BOLMAN. Spicer Office and Clerical Workers unit.

Senator CURTIS. Of local 12?

Mr. BOLMAN. Of local 12.

Senator CURTIS. According to your understanding of the UAW constitution, where would an action to expel you have to be instituted?

Mr. BOLMAN. Within the unit or the local.

Senator CURTIS. Within the unit or the local?

Mr. BOLMAN. In this particular instance it would have been within the unit because of the fact that the unit was within the jurisdiction of an amalgamated local.

Senator CURTIS. That is the constitution, is it?

Mr. BOLMAN. That is right.

Mr. BOLMAN. I am attempting to locate the particular section.
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Senator CURTIS. Is it a long section?

Mr. BOLMAN. No, it is not. Article 48, section 1:

All charges against a member of a union with a violation of any of the provisions of this constitution or with conduct unbecoming a member of the union must be specifically set forth in writing and signed by the member making the charges.

Senator CURTIS. Then read the first sentence of section 2.

Mr. BOLMAN (reading):

Charges must be submitted to the local recording secretary of the local union or shop union as the case may be within 60 days of the time the complainant becomes familiar with the offense.

The CHAIRMAN. Do you recognize that as a copy of the constitution of the UAW?

Mr. BOLMAN. I do.

The CHAIRMAN. It may be made exhibit No. 38 for reference.

(The document referred to was marked "Exhibit No. 38" for reference and may be found in the files of the select committee.)

Senator CURTIS. Your expulsion was instituted by the international?

Mr. BOLMAN. Yes, sir.

Senator CURTIS. Did your lawyer, Mr. Ells, protest this matter?

Mr. BOLMAN. He did.

Senator CURTIS. Did he do so by writing?

Mr. BOLMAN. He did.

Senator CURTIS. I have another copy of a letter and a copy of the reply.

The CHAIRMAN. I hand you here a copy of the letter dated May 3, 1950, addressed to Emil Mazey, apparently signed by Mr. H. P. Ells, and also have a copy of a letter of May 17, 1950, addressed to Mr. Hal P. Ells, apparently signed by Mr. Emil Mazey. I ask you to examine the two and state if you identify them as copies of the original.

Senator CURTIS. Do you recognize those copies?

Mr. BOLMAN. I do.

The CHAIRMAN. They may be made exhibits Nos. 39-A and B, in the order of their date.

(The documents referred to were marked "Exhibits Nos. 39-A and 39-B" for reference and may be found in the files of the select committee.)

Senator CURTIS. One of them is a letter written on your behalf by Lawyer Ells, and the other is a reply from Mr. Mazey.

Mr. BOLMAN. Yes, sir.

Senator CURTIS. And they relate to the manner in which you were expelled.

Mr. BOLMAN. Yes, sir.

Senator CURTIS. Did you lose your job when you were expelled?

Mr. BOLMAN. I lost my job before I was expelled.

Senator CURTIS. For how long a time were you expelled, do you know?

Mr. BOLMAN. Just expelled, that is all. Forever, I suppose.

Senator CURTIS. Were you expelled because you took this matter to court?

Mr. BOLMAN. That would be my judgment.

Senator CURTIS. You proceeded through channels to ask for an accounting?

Mr. BOLMAN. I did.

Senator CURTIS. You went to the meeting and made the motion recited here and you were beaten up?

Mr. BOLMAN. That is right.

Senator CURTIS. Then it was after that that you filed these suits?

Mr. BOLMAN. Yes, sir.

Senator CURTIS. You were expelled from the union, then, because you took the matter to court?

Mr. BOLMAN. Yes, sir.

Senator CURTIS. Mr. Chairman, I am not ready to discharge him. I am going to switch to Mr. Gray, but if you wish to cross-examine before I leave these things, I want to call that to your attention.

The CHAIRMAN. Are there any questions?

Mr. KENNEDY. No, unless we have the charges of the trial in connection with his being expelled from the union. It might be well to put that in.

The CHAIRMAN. Have you got a copy of the charges that were filed against you, the charges upon which you were expelled?

Mr. BOLMAN. As near as I recall there were no formal charges filed. There was simply a summons to appear before the executive board and the expulsion action was taken and then the resolution.

The CHAIRMAN. This is a copy of the resolution. Let me see the resolution that was made an exhibit a while ago. This is one of the "whereas's":

Whereas the international executive board finds that John A. Bolman, a member in good standing of the International Union, United Automobile, Aircraft, and Agricultural Implement Workers of America, UAW-CIO, Local 12, has appeal to a civil court for redress against the Automotive Workers Building Corp. and its officers prior to exhausting his rights of appeal under the laws of the international union, by instituting suit against said Automotive Workers Building Corp. and its officers in the common pleas court of Lucas County, Ohio, being cases No. so and so;

Whereas international executive board finds that by such action said John A. Bolman has violated article 30, section 6 of the international constitution, and should be expelled from membership.

Then they find you have appealed to a civil court for redress against Gustav Swackenwald, as treasurer of Willys-Overland Unit of Local 12, International Union, UAW-CIO, prior to exhausting his rights of appeal under the laws of the international union by instituting suit against said Swackenwald as treasurer, and so forth.

Whereas the international executive board find that by such action said John A. Bolman had violated article 30, section 6: Be it

Resolved, That you be expelled.

Did you receive any written charges against you accusing you of having resorted to the civil courts for remedy and redress prior to exhausting your remedies under the constitution and bylaws of the union?

Mr. BOLMAN. I do not recall the receipt of any formal charges.

The CHAIRMAN. It would not take a great deal to set out here what the charges are, that you had resorted to civil court instead of pursuing the remedies provided by the constitution and bylaws of the union until you had exhausted your remedies there. No such charges were given you?

Mr. BOLMAN. No, sir.

The CHAIRMAN. Did you appear at the trial?

Mr. BOLMAN. There was no trial held.

The CHAIRMAN. In other words, you had no hearing and no trial.

Mr. BOLMAN. No, just summarily expelled from the UAW on answering a request to appear before the international executive board.

The CHAIRMAN. Did you appear in person?

Mr. BOLMAN. I did.

The CHAIRMAN. What happened. Were you questioned?

Mr. BOLMAN. Yes, I was questioned.

The CHAIRMAN. Were you questioned about these things?

Mr. BOLMAN. I was questioned by Mr. Reuther.

The CHAIRMAN. How soon after you were questioned was a decision made?

Mr. BOLMAN. One day.

The CHAIRMAN. One day following this resolution, the resolution was adopted?

Mr. BOLMAN. The hearing of the board was held on January 26. The expulsion action was taken on January 27, 1950.

The CHAIRMAN. Did you offer any witnesses in your behalf?

Mr. BOLMAN. No, sir.

The CHAIRMAN. Did you make any explanation or any statement as to why you proceeded and resorted to the civil courts instead of proceeding to exhaust the remedies provided by the union constitution and bylaws?

Mr. BOLMAN. Mr. Reuther was not interested in any of those.

The CHAIRMAN. I did not ask you what he was interested in. Can you answer my question now?

Mr. BOLMAN. May I have the question again?

The CHAIRMAN. Read it.

(The question was read by the reporter.)

The CHAIRMAN. When you were before the board.

Mr. BOLMAN. No, I made no such statement.

The CHAIRMAN. Did you give any statement or give any excuse for having proceeded as you did?

Mr. BOLMAN. No, because there was no conversation in that respect.

The CHAIRMAN. Were you given an opportunity? That is what I am trying to find. Were you given an opportunity to say anything or try to explain away your actions?

Mr. BOLMAN. No, sir; that was not a part of the conversation during the meeting.

The CHAIRMAN. What was the conversation?

Mr. BOLMAN. The gist of the conversation during the meeting was, will you discharge the suits from court.

The CHAIRMAN. You had your suits in court?

Mr. BOLMAN. They were already filed.

The CHAIRMAN. You were asked if you would discharge your suits.

Mr. BOLMAN. And take them through the procedure of the UAW constitution.

The CHAIRMAN. That was the request made of you at the time.

Mr. BOLMAN. By Mr. Reuther.

The CHAIRMAN. And you declined to do that?

Mr. BOLMAN. I did.

The CHAIRMAN. And the next day you were expelled.

Mr. BOLMAN. Exactly.

The CHAIRMAN. All right, proceed.

Mr. RAUH. Mr. Chairman, may I give you the constitution on this story?

The CHAIRMAN. We have it filed here.

Mr. RAUH. This particular section 12 covers this case exactly and explains the whole thing, sir.

Mr. BOLMAN. Mr. Chairman, may I point out that the constitution applicable at this particular time was the constitution of the year 1949?

The CHAIRMAN. This is April 1957.

Mr. RAUH. That section is identical.

The CHAIRMAN. Is there any difference?

Mr. BOLMAN. There is a big difference.

Senator CURTIS. Here is the section referred to in the finding in section 6, two sentences along.

The CHAIRMAN. Go ahead with your questions while I look at this.

Senator CURTIS. You were urged to proceed through union channels with your grievances rather than in court.

Mr. BOLMAN. Yes, sir.

Senator CURTIS. That is the same grievances you started to proceed through union channels and got your jaw busted, is that right?

Mr. BOLMAN. Exactly.

Senator CURTIS. So you did not appeal it further within the union?

Mr. BOLMAN. No, sir.

Mr. KENNEDY. Let me ask you, you lost your job?

Mr. BOLMAN. Yes, sir.

Mr. KENNEDY. I asked you some questions earlier. You just had social security during that period of time?

Mr. BOLMAN. Unemployment compensation. My wife was working.

Mr. KENNEDY. And your wife was working?

Mr. BOLMAN. Yes, sir.

Mr. KENNEDY. You did not receive any money from any other source?

Mr. BOLMAN. No, sir.

Mr. KENNEDY. You received no money from any other source?

Mr. BOLMAN. No, sir.

Mr. KENNEDY. You received no money from Mr. Block directly or indirectly?

Mr. BOLMAN. No, sir.

Mr. KENNEDY. No money from Mr. Ells?

Mr. BOLMAN. No, sir.

Mr. KENNEDY. Not at all?

Mr. BOLMAN. You are talking about income, aren't we?

Mr. KENNEDY. What do you call it?

Mr. BOLMAN. I received no income from Mr. Ells.

Mr. KENNEDY. Did you receive any money from him?

Mr. BOLMAN. I did. Expense money.

Mr. KENNEDY. Let us get it straight. I asked you if you received any money. Did you get any money from him or not?

Mr. BOLMAN. I did.

Mr. KENNEDY. Let us get that straightened out. What money did you get from him?

Mr. BOLMAN. I got the expense money necessary to do the work I was doing on these investigations.

Mr. KENNEDY. How often did he give you that money?

Mr. BOLMAN. Whenever there were any trips made that required any expenditures.

Mr. KENNEDY. When you took a trip he gave you money for it?

Mr. BOLMAN. That is right.

Mr. KENNEDY. What kind of trips did you take?

Mr. BOLMAN. I took trips to Adrian, I took trips to the Sand Lake property, I went up to the recorder of deeds office in Adrian, Mich., and made copies of the deeds that were recorded in there.

Mr. KENNEDY. Did he pay you by check or by cash?

Mr. BOLMAN. I believe that it was done both ways. Probably a check now and then or cash.

Mr. KENNEDY. Did you receive money when you did work around Toledo for him?

Mr. BOLMAN. If there were expenses involved, yes.

Mr. KENNEDY. What do you mean by expenses? Just expenses?

Mr. BOLMAN. The same expenses that anybody else would report.

Mr. KENNEDY. Did you submit vouchers for this money that you received from him?

Mr. BOLMAN. Yes, I think there were reports turned in as to what the expenditures were made for.

Mr. KENNEDY. Did you do any other work for him other than these investigative jobs that you did?

Mr. BOLMAN. No. My time was consumed on just these particular cases.

Mr. KENNEDY. How much money did you receive from him?

Mr. BOLMAN. I don't know. I would have to make a rough guess. I would say that during approximately 2 years time that I had received perhaps \$400 to \$500, maybe.

Mr. KENNEDY. Over the 2-year period?

Mr. BOLMAN. For expenses.

Mr. KENNEDY. This is for trips that you took?

Mr. BOLMAN. That is right.

Mr. KENNEDY. Where did you think that money was coming from?

Mr. BOLMAN. I had no idea where it was coming from until Mr. Block testified in the deposition, and I believe the deposition would be available to you. He furnished the funds for the attorneys. There is no secret about that.

Mr. KENNEDY. Didn't it interest you at the time that an attorney makes a telephone call, which is completely in violation of the ethics of attorneys, offers to represent you and tells you that you are not going to have to pay a fee, and after that starts to pay you out money for expenses?

Mr. BOLMAN. You know, would you believe it, Mr. Kennedy, that I believe there are still people left in this world who believe in justice. I think that is one of the things that was involved in this.

Mr. KENNEDY. As it turned out it was not quite because he was being reimbursed.

Mr. BOLMAN. That would be your opinion.

Mr. KENNEDY. That is what it turned out to be.

Mr. BOLMAN. In my opinion I had a case with a basic issue. I believed in those basic issues. It was my determination to see that those basic issues were brought out and something done about it.

Mr. KENNEDY. As it turned out this money was coming from Mr. Block who had an interest at that time in connection with a fight against Mr. Gosser and the pension. Now I want to ask you, other than these inspection trips that you took in various other areas, did you do any other work for this attorney?

Mr. BOLMAN. No.

Mr. KENNEDY. Did you take dictation from him?

Mr. BOLMAN. In respect to these particular cases, yes. I did typing. I did some law research. I did a lot of things.

Mr. KENNEDY. You did law research for this attorney?

Mr. BOLMAN. I did it for me, for my cases.

Mr. KENNEDY. Did he pay you for that?

Mr. BOLMAN. No, sir.

Mr. KENNEDY. He did not give you any money for that?

Mr. BOLMAN. No, sir.

Mr. KENNEDY. Any of the typing you did?

Mr. BOLMAN. No, sir.

Mr. KENNEDY. He didn't pay you at all for that?

Mr. BOLMAN. No, sir.

Mr. KENNEDY. I would like to say that first we talked to Mr. Block and Mr. Block said this man was paid during this period of time. That is when our two investigators went out there. We just talked to the attorney and the attorney said he was paid during this period of time for taking dictation from him and looking at law work. Somebody should get their stories straightened out because there is a deep conflict.

Mr. BOLMAN. I agree with you.

Mr. KENNEDY. That is why it is important to have investigators go out and look at these.

Mr. BOLMAN. I took dictation from the attorney. I did not deny that. The dictation I took covered the cases that were filed.

Mr. KENNEDY. So we get it straightened out, Mr. Chairman, that he was paid money during this period of time.

The CHAIRMAN. He said it was for expenses. I don't know what that means, by expenses.

Mr. BOLMAN. If it was necessary for me to go out of town on a trip I got automobile mileage.

The CHAIRMAN. The question is, Were you paid a salary or compensation for work in an attorney's office taking dictation or looking up law for him or yourself?

Mr. BOLMAN. No, sir.

The CHAIRMAN. In other words, all you got according to your testimony was reimbursement for expenses you were actually out, is that true?

Mr. BOLMAN. Exactly.

The CHAIRMAN. Now, the Chair would make this observation with reference to section 6 of article 30 referred to in the resolution of expulsion.

It is identical with what is now section 12 of article 32 of the 1957 constitution, as printed in the book you handed me. They are identical. All right.

Senator CURTIS. Mr. Bolman, you have testified that you did some investigating to find out the financial operations of the summer camp which was owned by the Automotive Building Corp. In the course of that, did you photostat certain sales slips and invoices?

Mr. BOLMAN. I did.

Senator CURTIS. Mr. Chairman, I would like to have these identified. We are not going to refer to each one individually, but in bulk.

(The documents were handed to the chairman.)

The CHAIRMAN. I hand you here five sets of what appear to be bills or invoices of the Colonial Hardware Co. They are all photo-static copies, and will you examine them hurriedly and state if you identify them?

(The documents were handed to the witness.)

Mr. BOLMAN. I would say that there are copies of invoice slips that were included in the records in the cases in the courts at that time.

Senator CURTIS. Secured by you?

Mr. BOLMAN. Yes, sir.

The CHAIRMAN. They may be made exhibit No. 40 in bulk, just for reference.

(Documents referred to were marked "Exhibit No. 40" for reference and may be found in the files of the select committee.)

Senator CURTIS. Now, Mr. Bolman, did you investigate the question of whether or not purchases made by the union—and by that I mean Local 12 Building Corp.—and the summer camp from Colonial Hardware, which was owned part of the time in part by Mr. Gosser, and later altogether, as to whether or not the charges rendered against the union for particular items were more or less than what they could have been purchased elsewhere?

Mr. BOLMAN. They were definitely higher.

Senator CURTIS. But you did make such an investigation?

Mr. BOLMAN. I did.

Senator CURTIS. I will hand you another document.

(The document was handed to the chairman.)

The CHAIRMAN. I have here, which I present to you, a typewritten sheet of paper with figures and items on it, and the title of it is "Examples of Colonial Hardware Overcharges," and you may examine it and state if you identify it.

(The document was handed to the witness.)

Mr. BOLMAN. I do recognize it.

The CHAIRMAN. Does it pertain to this? You say you recognize it?

Mr. BOLMAN. It pertains to an examination of some of the invoice slips from Colonial Hardware on which the prices were compared to the prices of other suppliers of the same type of items in order to determine whether the Colonial Hardware could possibly have purchased these items at a lower price.

The CHAIRMAN. Is that related to something that the union paid for?

Mr. BOLMAN. Exactly.

The CHAIRMAN. Sales to the union. And are they covered, those that you have, the comparisons there, are they in the bulk of invoices and sales slips?

Mr. BOLMAN. I would say that they were included among those copies.

The CHAIRMAN. In the previous exhibit; is that right?

Mr. BOLMAN. Yes, sir.

The CHAIRMAN. Did you make those comparisons yourself?

Mr. BOLMAN. I did.

The CHAIRMAN. Then it may be made exhibit No. 40-A, because it is an explanation of the previous exhibit.

(Document referred to was marked "Exhibit No. 40-A" for reference and may be found in the files of the select committee.)

Senator CURTIS. Mr. Bolman, did you make up this exhibit 40-A, and you prepared this?

Mr. BOLMAN. I believe so, and I wouldn't state positively but it is part of the work I was engaged in.

Senator CURTIS. Now, if you will look at it, please, it says, "Examples of Colonial Hardware Overcharges," example No. 1, and you have nine items there, and the next column says "Colonial Quantity," and the next one is "Supplier Quantity."

What do you mean by "Supplier"?

Mr. BOLMAN. That would be a supplier other than Colonial Hardware Store.

Senator CURTIS. Not Colonial's wholesale supplier?

Mr. BOLMAN. No, sir.

Senator CURTIS. But it would mean that you went to another supplier or another retailer?

Mr. BOLMAN. Another supplier of similar items.

Senator CURTIS. The same or a comparable article?

Mr. BOLMAN. Yes, sir.

Senator CURTIS. And the next column shows the Colonial charge, and then in the next column the supplier charge.

Now, by "supplier charge," what do you mean?

Mr. BOLMAN. I mean the price at which that supplier would have retailed that particular item.

Senator CURTIS. At another retail store?

Mr. BOLMAN. Another retailer; yes, sir.

Senator CURTIS. Then the last column shows the percent of overcharge?

Mr. BOLMAN. Yes, sir.

Senator CURTIS. Now, in item 1, or example No. 1, you have listed nine items, where you have compared one each, and these are evidently smaller items, and item No. 1, the Colonial charge was 60 cents, and the supplier charge, 44 cents.

Do you mean by that, that you have found an item where the union or some part of it paid Colonial 60 cents for something that they could have purchased at another retail store for 44 cents?

Mr. BOLMAN. That is correct.

Senator CURTIS. And you have the percent of overcharge, 27 percent.

Mr. BOLMAN. Yes, sir.

Senator CURTIS. Now, of those nine items in example 1, the total, you have Colonial charge, \$7.92, less 5 percent, would make \$7.54, and the other supplier could have provided them for \$5.03. You have an average overcharge of 33 percent.

Mr. BOLMAN. Yes, sir.

Senator CURTIS. Now, are those isolated cases?

Mr. BOLMAN. They couldn't be to my knowledge. I would say that it was more or less a uniform practice.

Senator CURTIS. You did not pick them out attempting to find isolated cases?

Mr. BOLMAN. No, sir.

Senator CURTIS. Now, example No. 2 has six items. Well, in item No. 1 there is a quantity of 40, and the supplier's quantity you have mentioned 36, and why would you have that?

Mr. BOLMAN. Because that was the quantity on which the supplier price would have been based in comparison, or the nearest quantity was written on the invoice which the supplier would have based his price on.

Senator CURTIS. Now, item No. 1, Colonial paid \$150 for 40 units, or Colonial charged that rather, and your investigation found where you could buy 36 such items for \$72?

Mr. BOLMAN. Yes, sir.

Senator CURTIS. Or an overcharge of 52 percent?

Mr. BOLMAN. Yes, sir.

Senator CURTIS. And in the six items that you investigated there, you found the Colonial total charge of \$578.50, but that it could have been purchased at another supplier, the total of them, for \$297.50, or an average of 34 percent overcharge?

Mr. BOLMAN. Yes, sir.

Senator CURTIS. Now, that is above retail?

Mr. BOLMAN. Yes, sir.

Senator CURTIS. And in example No. 3, you have one item, and that was the quantity involved, Colonial charged the union \$297, and another supplier you report would have provided it for \$159.95, or an overcharge of 54 percent?

Mr. BOLMAN. Yes, sir.

The CHAIRMAN. May I ask you, do you contend or do I misunderstand you, that each one of these sales slips or invoices that are a part of exhibit No. 40 in bulk, represent an overcharge?

Mr. BOLMAN. I would say that is true.

The CHAIRMAN. Each one of these represent an overcharge?

Mr. BOLMAN. I think that I could go through them and find that such is the case.

The CHAIRMAN. I am asking you whether you contend that each one of them constitutes an overcharge, or there are just some overcharges among them.

Mr. BOLMAN. I would say each one of them could be proven to be an overcharge.

The CHAIRMAN. Each one of those in the exhibit No. 40; is that correct?

Mr. BOLMAN. That is correct.

The CHAIRMAN. Now then, just by way of illustration, when I went to school, this lead pencil would cost a nickel, but I could go and buy

a cheaper pencil, and I could get two for a nickel or three for a nickel, in some places.

Mr. BOLMAN. That is right.

The CHAIRMAN. It is not just the item by name or by nature of the article, but the quality that determines price; is that not correct?

Mr. BOLMAN. I understand exactly.

The CHAIRMAN. Now you are making your statement here of over-charges based not only upon quantity, but also upon quality of the article?

Mr. BOLMAN. That is right.

I would like to point out, Mr. Kennedy, that I spent about 12 years in the purchasing game, and I recognize equal quality between two items, and I recognize that quality can be purchased at a higher price than lower quality.

The CHAIRMAN. I can understand that there might be items or pencils, using the pencil as an example, of one brand, and a pencil of another brand, but normally they both sell for a nickel.

Mr. BOLMAN. One thing I was very careful about—

The CHAIRMAN. That is what you mean, there wouldn't be necessarily the same brand or the same make, but of comparable quality?

Mr. BOLMAN. That is true.

The CHAIRMAN. The price would be related to the regular selling price, and there would be an overcharge?

Mr. BOLMAN. One of the things I was very careful to do when I examined those invoices and checked the price against other suppliers' prices, that was that it would be on items that would be standard items.

For instance, in the plumbing supply, an L is an L, and it might be black or it might be malleable, but still they are pretty much a standard item, and the same thing would hold true of almost an entire line.

The CHAIRMAN. You know what I am driving at with these questions, whether the comparisons are fair and equitable or not.

Mr. BOLMAN. Yes.

Mr. KENNEDY. Who are the suppliers that you are talking about, in item 1, and first what are items 1 and 2; who are the suppliers?

Mr. BOLMAN. I probably would have to go back over the invoice to make the comparison. I see that that sheet has been detached.

Senator CURTIS. Just from the carbons.

Mr. KENNEDY. This is of extreme importance, to find out who you made the comparison with, and what the items are, because once again we talked to the attorney and the attorney told us that this couldn't be substantiated. I have the memorandum here, Senator, written March 31, 1958, and he says as far as he knew—and this is the attorney—there were no indications that Gosser placed pressure on the union or the Automotive Workers Corp. to purchase from his hardware store. With respect to the charges that Gosser or the Colonial Hardware Store had sold various items to the local or the Automotive Workers Building Corp. at exorbitant prices, he also stated they were unable to establish this with any competent evidence. He described the hardware store situation as merely a tactic on their part, which made good reading, rather than an allegation with any substance to it.

The CHAIRMAN. Now, this statement of course is not evidence, but it represents information that came to the staff of this committee in the

course of its investigation and specifically interrogating the other party or the attorney regarding this item.

Now, do you want to make any comment? Do you want to say that is true or not true?

I want to keep the record straight. That is not sworn evidence, but that is information upon which this committee acted at one time.

Now, what do you say about it? Is it true or untrue?

Mr. BOLMAN. Mr. Chairman, I would be willing to take those invoices and recheck them for you.

The CHAIRMAN. You may do that overnight. You can return them in the morning.

The committee will stand in recess until 10:30 in the morning.

(Members of the select committee present at the taking of the recess were Senators McClellan and Curtis.)

(Whereupon, at 5:30 p.m., the select committee recessed, to reconvene at 10:30 a.m., Wednesday, September 9, 1959.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

WEDNESDAY, SEPTEMBER 9, 1959

U.S. SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D.C.

The select committee met at 10:30 a.m., pursuant to Senate Resolution 44, agreed to February 2, 1959, in room 3302, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Karl E. Mundt, Republican, South Dakota; Senator John F. Kennedy, Democrat, Massachusetts; Senator Sam J. Ervin, Jr., Democrat, North Carolina; Senator Barry Goldwater, Republican, Arizona; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; P. Kenneth O'Donnell, assistant counsel; Paul J. Tierney, assistant counsel; Paul E. Kamerick, assistant counsel; Robert E. Manuel, assistant counsel; Walter J. Sheridan, investigator; Ruth Y. Watt, chief clerk.

(Members of the select committee present at the convening of the session were Senators McClellan, Kennedy, and Curtis.)

The CHAIRMAN. The committee will come to order.

At the start of yesterday morning we had some seven witnesses to hear. We only got through one and part of two more. The Chair has indicated that he wants to bring these hearings to a conclusion. I propose to end them today. I hope we can get through now by 4 or 4:30 this afternoon. I have other work to do. I have got to try to bring these to a conclusion. I hope we can get all of the pertinent facts from these witnesses that you desire to call in addition to the two now on the stand. I will undertake to cooperate in any way I can to expedite so that we can get the full story. Proceed.

Senator CURTIS. Mr. Chairman, we shall do our very best to cooperate. As a matter of fact, we are going to waive some things that perhaps in fairness to ourselves we should not waive, including the charge that these hearings were fraud.

The CHAIRMAN. That is political argument that can be made at any time.

Senator CURTIS. It was made by an employee of the committee to a member of the committee.

TESTIMONY OF RANDOLPH GRAY, ACCCOMPANIED BY COUNSEL,
LARRY S. DAVIDOW; AND TESTIMONY OF JOHN E. BOLMAN—
Resumed

Senator CURTIS. Mr. Gray, yesterday we had testimony to the effect that individuals were ordered to work at the summer camp and retirement farms, and then if they failed to do so, paid fines.

(At this point Senator Mundt entered the room.)

Senator CURTIS. It was also brought out in the hearings that the international board of the UAW made a finding that there was no system of fines. I would like to have you look at three copies of letters here and tell us what they are.

The CHAIRMAN. The Chair presents you what purports to be three photostatic copies of letters. One is a mimeographed copy dated January 14, 1948, apparently signed by Richard T. Gosser, addressed to international representatives, full-time local 12 officers.

Another one is addressed to international representatives dated February 21, 1947, signed by Mr. Gosser.

The third is dated November 4, 1949, entitled "Interoffice Communication," signed by Mr. Gosser. Would you examine them and state if you identify them?

(The documents were handed to the witness.)

Mr. GRAY. Yes, I can identify them.

The CHAIRMAN. What are they?

Mr. GRAY. They are letters from Mr. Gosser's office in regard to the penalties people were going to pay for not working at the farm.

The CHAIRMAN. They may be made exhibits 41-A, B, and C, in the order of their dates.

(Letters referred to were marked "Exhibits Nos. 41-A, 41-B, and 41-C" for reference and may be found in the files of the select committee.)

Senator CURTIS. Mr. Gray, you have examined those, have you?

Mr. GRAY. Yes.

Senator CURTIS. In substance, do they support the contention that workers were assigned—that is, employees of the union—to work on the retirement farm and the summer camp, and fined if they failed to do so?

Mr. GRAY. That is correct.

Senator CURTIS. Mr. Gray, you testified yesterday that you first became a board member, and then you took over the duties as financial secretary, and then later were elected financial secretary. During that time, were you familiar with all of the business transactions that were channeled through the regular course of the union?

Mr. GRAY. Not in its entirety; no.

Senator CURTIS. I say those that were channeled through the regular course according to the bylaws and the regulations?

Mr. GRAY. Oh, yes.

Senator CURTIS. You knew about the operation of the hardware store?

Mr. GRAY. Yes.

Senator CURTIS. In the first instance, it was owned by Mr. Gosser and Mr. Schultz?

Mr. GRAY. That is right.

Senator CURTIS. Later on, Mr. Gosser bought the entire thing?

Mr. GRAY. That is what I understand, yes.

Senator CURTIS. Did the union, local 12, the Building Corp., the summer camp and farm, and other entities purchase supplies from the Colonial Hardware?

Mr. GRAY. They most certainly did.

Senator CURTIS. About how many employees did Colonial have, do you know?

Mr. GRAY. They had two or three there.

Senator CURTIS. Were other people working in Colonial at times that were paid by other sources?

Mr. GRAY. Yes. Sometimes they would sign Vernal Scott and a fellow named Connie Hatt; and, of course, Mr. Schultz himself would go out there.

Senator CURTIS. Who paid their salaries?

Mr. GRAY. The local union.

Senator CURTIS. The local union?

Mr. GRAY. That is right.

Senator CURTIS. In other words, while this conflict of interest was going on, the people on the union payroll were working in the store?

Mr. GRAY. Yes.

Senator CURTIS. Who were allowed to make purchases from the store?

Mr. GRAY. There was quite a number of people. Some I don't even know personally because I just seen the names on some of the slips. It was supposed to be run through my office, but it seems any man and his brother could buy materials.

Senator CURTIS. Are you referring to purchases made for the general public or purchases made for the union.

Mr. GRAY. I don't know. It was supposed to be made for the union. I don't know what was done with the stuff.

Senator CURTIS. Did you yourself ever make any complaint to anyone in the union about the transactions of Colonial Hardware?

Mr. GRAY. I have complained to Mr. Schultz. I have complained to—

Senator CURTIS. While he was associated with the hardware store?

Mr. GRAY. Yes.

Senator CURTIS. And you were financial secretary?

Mr. GRAY. That is correct.

Senator CURTIS. In substance what would you say to him?

Mr. GRAY. I had complained the first time about the fluorescent lights. I didn't see why we should be paying double the rate because I had purchased these lamps originally, I mean the same type—as far as I was concerned for what purpose we needed—for 15 bucks from Commercial Electric, which is the electrical house on Adams Street at that particular time. I was told I had to get the lamps at the hardware store. I think I paid \$27 or \$28 for the same thing as far as I was concerned, because it was nothing but the two 40-watt bulb fluorescent lamp.

Senator CURTIS. You complained that the union was paying about \$27 for a lamp in Colonial Hardware that they could have bought elsewhere for \$15?

Mr. GRAY. Sure. The record in the local union will prove that if they didn't destroy them.

Senator CURTIS. What did Schultz say?

MR. GRAY. He tried to tell me it was the better lamp. I said it is the same thing for what we have. We are trying to conserve money. It is strictly a two-tube 40-watt bulb. What is the difference? It throws the same light. To me I could not see any difference between the two lamps.

Senator CURTIS. I am going to hand you a copy of a document that has already been received in evidence. It is marked "Exhibit 20." I want you to look at it and I am going to ask you some questions about it.

(The document was handed to the witness.)

Senator CURTIS. What is that?

MR. GRAY. It is a report that Mr. Gosser wanted me to send up to his office on what the cost of the summer camp was on a breakdown we had in our particular office.

Senator CURTIS. Who prepared it?

MR. GRAY. The staff that was under my jurisdiction.

Senator CURTIS. This is items paid out of what fund?

MR. GRAY. Out of the summer camp and farm.

Senator CURTIS. By the way, were all of these moneys banked in a common pool?

MR. GRAY. The unit account was.

Senator CURTIS. What do you mean by the unit account?

MR. GRAY. I think there was somewhere around 50 or 60 unit accounts. Of course, we kept them separate by a book entry and by check distribution on the number. In other words, if a unit was going to get a check we would type that particular unit's name on the right hand top of the check so it could be identified that it came from that particular unit credit account.

Senator CURTIS. But at the bank, did you have all those put in one?

MR. GRAY. Yes, it was what they called a pool account. You could draw on the other guy's money.

Senator CURTIS. It was possible that one unit might be overdrawn but still the check written on your books that was charged to that unit would be honored by the bank?

MR. GRAY. That is right.

Senator CURTIS. By units, don't try to list all 60, what do you mean?

MR. GRAY. Different plants. Under an amalgamated local each plant is called a unit of the local.

Senator CURTIS. Was the farm a unit?

MR. GRAY. Yes.

Senator CURTIS. So far as your setup was concerned?

MR. GRAY. It was a unit. So was the summer camp a unit.

Senator CURTIS. This exhibit 20 on page 1 near the bottom, there is a word struck out. Then it says "hardware items too numerous to list in account classification, \$36,360.38."

Do you know what word was stricken out?

MR. GRAY. I certainly do. It was the word Colonial.

The CHAIRMAN. The word what?

MR. GRAY. Colonial.

Senator CURTIS. So when you prepared this, this showed Colonial Hardware items too numerous to list in account classification of \$36,000. That meant that in this period of time covered the union had spent \$36,000 with Mr. Gosser's hardware store.

Mr. GRAY. That is just on that particular item. I mean there is other items on there.

Senator CURTIS. There are other items?

Mr. GRAY. Sure.

Senator CURTIS. This was just the miscellaneous items?

Mr. GRAY. Yes. You don't know how to classify it. It was a part for a washer machine. The girls said they did not know how to break them down so they threw them together.

The CHAIRMAN. Tell us what period this covers. You have it dated February 3, 1948.

Mr. GRAY. As I recall, it was from the time they opened up the camp and the farm up to February 3, 1948.

The CHAIRMAN. When did they open it up?

Mr. GRAY. I think it was around 1946 or 1947 or somewhere in there. There is a record when they opened it up.

The CHAIRMAN. Maybe you can tell us. I want to know what period of time this covers. It is not very informative.

Mr. GRAY. I have some other records. I could look it up and tell you exactly.

The CHAIRMAN. All right. Proceed.

Senator CURTIS. Will you tell us as briefly as you can the circumstances which led to striking out the word "Colonial"?

Mr. GRAY. It seems that it kind of irked Mr. Gosser because I had inserted the word there. In fact, I didn't originally do that. The girls in the office grouped it together because I told them what Mr. Gosser wanted on the report. He complained about me having the word "Colonial" there, it was trying to show him up that he was hogging all the business for his hardware store. So he had me X it out. That is the reason for it being X'd out.

Senator CURTIS. Who was with you at the time it was presented to Mr. Gosser?

Mr. GRAY. I think Mr. Speidell and I believe Melvin Schultz.

Senator CURTIS. Tell what happened in connection with presenting this list to him that he asked to have prepared.

Mr. GRAY. As I recall right I think I met Lloyd on the steps and I showed him the item. I said I suppose Dick will blow his top when he sees this particular item, because he has been critical of me mentioning the Colonial Hardware. Sure enough, when I got upstairs, he did.

Senator CURTIS. Mr. Gray, in referring again to the action of the international executive board when they investigated this, one of the charges made by these rank and file members was identified as allegation 20-J:

It is alleged that Brother Gosser issued orders that any vouchers containing his initials be processed immediately.

Mr. GRAY. That is correct.

Senator CURTIS. That is what?

Mr. GRAY. That is right.

Senator CURTIS. You say that is correct?

Mr. GRAY. It had to be processed immediately if he OK'd them.

Senator CURTIS. The findings of Mr. Reuther's international board are, "No supporting evidence has been made to this allegation." That is the end of the quote. Now I want to hand you certain documents.

The CHAIRMAN. I hand you what purports to be carbon copy of a letter dated October 3, 1949, addressed to Howard Seren and Richard Gosser. I guess it is from Richard Gosser to Howard Seren. Would you examine it and state if you identify it?

(The document was handed to the witness.)

Mr. GRAY. Yes, I remember that. I can identify it.

Senator CURTIS. What is that?

Mr. GRAY. It is a copy of a letter sent to me by Mr. Gosser.

Senator CURTIS. It is very brief. I believe it will save time to read it.

Mr. GRAY. I mean it was sent to Seren, but I got the carbon copy.

Senator CURTIS. Who is Howard Seren?

Mr. GRAY. He was the president of the local at that particular time.

DEAR BROTHER SEREN: I am sending you this letter with a copy going to the other two fellows signing the summer camp, farm, and pavilion checks from now on so there will be no misunderstanding. On the camp, farm, or pavilion I do not want any checks signed by you until I have written my initials in the corner. Then there will be no argument as to where the money is going because I will know.

Sincerely yours,

RICHARD GOSSER, Vice President.

Senator CURTIS. He was vice president of the union at that time?

Mr. GRAY. That is right.

Senator CURTIS. Did this relate to internal matters of local 12?

Mr. GRAY. Yes.

Senator CURTIS. You have been a long-time union official. Does a vice president have authority over the internal affairs, receipts, and expenditures of a local union?

Mr. GRAY. Under the constitution he is not supposed to have any, but the way they operate, he seems to have some in there where he does. In other words, the international seems to uphold him.

Senator CURTIS. So in addition to the conflict of interest in trading with himself, he had no lawful authority to tell the local where they should buy?

Mr. GRAY. He didn't have no actual authority, no.

Senator CURTIS. All right. Here is another letter.

The CHAIRMAN. The Chair presents to you a photostatic copy of a letter dated May 25, 1946, addressed to you apparently from Mr. Gosser. Will you examine it and state if you identify it.

(The document was handed to the witness.)

Mr. GRAY. Yes, I can identify it.

Senator CURTIS. What is it?

Mr. GRAY. It is a letter addressed to me from Mr. Gosser, who at that time was the regional director of the UAW.

Senator CURTIS. I believe it will save time if you read it.

Mr. GRAY (reading) :

DEAR BROTHER GRAY: I believe it would be a wise thing for you to direct a letter to all concerned informing them that in the future no purchases are to be made for local 12 without the consent and authorization of Brother Schultz, and no purchases are to be made for the building corporation without the authorization of myself, even if it is just a 10-cent fly swatter. I think we should start putting on a little pressure in regard to this spending of money around here. Thanking you in advance for your cooperation, I remain,

Sincerely yours,

RICHARD GOSSER.

Senator CURTIS. What is the date of that?

Mr. GRAY. May 25, 1946.

Senator CURTIS. What office did he hold at that time?

Mr. GRAY. He was regional director.

Senator CURTIS. He was regional director?

Mr. GRAY. Yes.

Senator CURTIS. He says that they can't even buy a 10-cent fly swatter without his OK as regional director.

Mr. GRAY. That is right.

Senator CURTIS. Did he have authority to dictate the internal affairs of a local union?

Mr. GRAY. No, he did not have any authority under the constitution.

Senator CURTIS. This authority was used to trade with himself?

Mr. GRAY. Oh, yes.

Senator CURTIS. And that again is in conflict with the findings of the international board, and the reason this is current today is because they have not retracted it, no supporting evidence has been made to this allegation, meaning that the allegation that he dominated those purchases.

Here is one more. I have a number, Mr. Chairman, but this one will go in, and the others we will attach.

The CHAIRMAN. I present to you apparently the original memorandum from Mr. Gosser to you, dated December 15, 1948. Will you examine it and state if you identify it.

(The document was handed to the witness.)

Mr. GRAY. Yes, I can identify it. In fact, the notation on top is in Gosser's handwriting.

Senator CURTIS. What is it?

Mr. GRAY. It says:

Randy Gray. On these four they do not have to be OK'd.

Senator CURTIS. Tell us first what the document is.

Mr. GRAY. The document is a letter from Mr. Gosser who was vice president at this particular time, addressed to me.

Senator CURTIS. Addressed to you?

Mr. GRAY. Yes.

The CHAIRMAN. It will be exhibit No. 42.

(Letter referred to was marked "Exhibit No. 42" for reference and may be found in the files of the select committee.)

Senator CURTIS. Read it.

Mr. GRAY (reading):

This is to inform you that as of January 1, 1949, any bill that you get either for the camp or farm or any expenditure you get, you are to send the voucher up to my office. No bill is to be paid, regardless of what it is, without my personal OK. With every good wish, allow me to remain,

Fraternally yours,

RICHARD GOSSER,
Vice President of the International Union.

Senator CURTIS. Now, Mr. Chairman, we hand you a number of letters that we will handle in bulk to save time.

The CHAIRMAN. I have here a series of six letters. I will ask you to examine them hurriedly and state if you identify them.

(The documents were handed to the witness.)

(At this point Senator Kennedy withdrew from the hearing room.)

The CHAIRMAN. Some of them are carbon copies.

Mr. GRAY. Mr. Chairman, I want to ask you a question, if I may, please. May I have these originals returned to me after they are photostated?

The CHAIRMAN. If a photostat is made, if you want the originals returned, they may be returned and the photostat copies may become exhibits.

Mr. GRAY. I have done this before, and I have not gotten them back before, and I want to emphasize it.

The CHAIRMAN. We will try to get them back to you. Look at them and state if you identify them as being what they purport to be.

Mr. GRAY. Yes, I can identify them.

The CHAIRMAN. They may be made exhibit No. 43 in bulk, numbered A, B, C, D, and so on, in order of their date.

(Documents referred to were marked "Exhibits Nos. 43-A through 43-F" for reference and may be found in the files of the select committee.)

Senator CURTIS. In general they are documents dealing with the same subject of the last letters that you have read on purchases and OK of purchases at the hardware store.

Mr. GRAY. That is correct.

Senator CURTIS. Now, Mr. Gray, when these rank and filers sought redress of their grievances, one of the allegations was—

It is alleged the Colonial Hardware charged higher than fair prices for items purchased from it.

The finding of the international board in supporting Mr. Gosser in this is as follows:

No supporting evidence has been given to the executive board supporting this allegation. If the allegations were true the former financial secretary of local 12, Randolph Gray, would have been responsible for any overcharges.

(At this point Senator Kennedy entered the hearing room.)

Senator CURTIS. Now, Mr. Gray, how could you be responsible for any overcharges? Did you fix charges in the hardware store?

Mr. GRAY. I certainly did not.

Senator CURTIS. Did you have any interest in the hardware store?

Mr. GRAY. No, sir.

Senator CURTIS. Did you OK purchases for the hardware store in your own right?

Mr. GRAY. There may have been a few on purchase order, because I was told I had to purchase through the hardware store.

Senator CURTIS. But as far as regulating the policy you had nothing to do with it?

Mr. GRAY. I had nothing to do with regulating the policy.

Senator CURTIS. Did you have anything to do with making the charges?

Mr. GRAY. No, sir.

Senator CURTIS. By charges I mean the charges for merchandise.

Mr. GRAY. No.

Senator CURTIS. Is there any truth whatever in the finding of Mr. Reuther's group that if higher prices were charged, you, Randolph Gray, would be responsible?

Mr. GRAY. I couldn't be responsible. I had nothing to do with the store.

Senator CURTIS. No way at all?

Mr. GRAY. No, sir. In fact, I grumbled many a time. Gosser knows that.

Senator CURTIS. Now, in regard to whether or not higher than usual prices were charged, I have in my hand the photostats of certain charge slips, invoices, and sales documents which I would like to have delivered to you after the chairman handles them.

(The documents were handed to the chairman.)

The CHAIRMAN. I present to you the documents, photostatic copies of which Senator Curtis has just referred to, and ask you to examine them and state if you identify them.

(The documents were handed to the witness.)

Mr. GRAY. Yes, I can identify them.

The CHAIRMAN. What are they?

Mr. GRAY. They are sales slips and an invoice charged to us for some material purchased by the local and also a letter from Mr. Gosser to Mr. Zawodny talking about purchasing some balloons.

The CHAIRMAN. Purchasing what?

Mr. GRAY. Balloons. You know, to put in the air. For a Labor Day celebration. In preparation for that.

The CHAIRMAN. You have identified those invoices and they may be made exhibit No. 44 in bulk.

(Documents referred to were marked "Exhibit No. 44" for reference and may be found in the files of the select committee.)

Senator CURTIS. Does it deal with items other than the balloons?

Mr. GRAY. Oh, yes.

Senator CURTIS. Is it true that these papers that you have here, that have been identified, involve a transaction where merchandise was purchased for the union that the Colonial Hardware Store didn't have?

Mr. GRAY. That is right.

Senator CURTIS. Look at the document and tell me from what company this material was purchased.

Mr. GRAY. Part of it was purchased from the Hirsch Co. which handles things like balloons and concessions for parades.

Senator CURTIS. That is a wholesale supplier of toys and novelties in Toledo?

Mr. GRAY. Oh, yes.

Senator CURTIS. That part of these documents shows a charge from the Hirsch Co. to local 12?

Mr. GRAY. That is right.

Senator CURTIS. For some items. How did you happen to get that?

Mr. GRAY. It was mailed to me. They have a setup there. They were supposed to have all their invoices when they bought something routed through the Colonial Hardware. These people knew us and so evidently one got by them. It was addressed to the local, because it was sold to the local in the first place. Evidently they got it made out to Local 12, UAW. I was not permitted to pay the bill. I had to pay it through Colonial Hardware at a higher rate.

Senator CURTIS. The bill that Hirsch Co. submitted to local 12 for the material there amounted to a total of how much?

Mr. GRAY. \$810 from the Hirsch Co.

Senator CURTIS. Did you as financial secretary or any other officer of the union pay this bill to Hirsch & Co. for \$810?

Mr. GRAY. No; I paid it to Colonial Hardware with some additional items.

Senator CURTIS. Upon whose direction?

Mr. GRAY. That was the setup you had with Mr. Gosser when you bought stuff, you had to work through the Colonial Hardware.

Senator CURTIS. So this bill from Hirsch & Co. for \$810 was not paid to them, but they billed Colonial, and Colonial billed the union?

Mr. GRAY. I imagine they got the money from Colonial Hardware because we paid Colonial Hardware.

Senator CURTIS. How much did you pay Colonial Hardware?

Senator MUNDT. What do you mean by "we"? You were the local 12 secretary?

Mr. GRAY. Yes. In other words, the officers, I think Seren at the time. We paid them for that particular invoice \$1,902.71. There are some other items on there.

Senator CURTIS. Have you examined items and traced back to see what you paid to Colonial Hardware for the items that were on the Hirsch inventory?

Mr. GRAY. I can give you a couple of examples here.

The CHAIRMAN. Can you give totals?

Mr. GRAY. I don't have them down in totals.

The CHAIRMAN. What I would like to have here—I am trying to expedite this thing—according to the Hirsch bill, it was \$810. In paying that bill you paid \$1,902 to Colonial. But there was some merchandise also furnished by Colonial or other bills in there.

Mr. GRAY. That is right.

The CHAIRMAN. What is the value of the amount of the bills other than the Hirsch bill?

Mr. GRAY. I would have to total it up here.

The CHAIRMAN. The purpose of this is to try to show, as I understand it, that the Colonial Hardware Co. got either a big commission or a big profit.

Mr. GRAY. It is grouped different. That is why it is difficult to do it. For example, let me point out to you, Mr. Chairman, that in the original invoice of the Hirsch Co., there was 1,800 printed hats that was to cost us \$126. I get a statement for the same amount only I am charged for 2,000 paper hats instead of 1,800 for the sum of \$300.

The CHAIRMAN. What were the charges of Hirsch?

Mr. GRAY. \$126.

The CHAIRMAN. \$126, 1,820 hats.

Mr. GRAY. Yes, so I complained about this.

The CHAIRMAN. So you get a bill.

Mr. GRAY. So I get a credit of \$120 off the \$300.

The CHAIRMAN. Wait a minute.

Mr. GRAY. That is right.

The CHAIRMAN. Then you get a bill from Colonial for 2,000 hats instead of 1,820.

Mr. GRAY. Yes.

The CHAIRMAN. At how much a hat?

Mr. GRAY. Their total price on here says \$300. They don't break it down to the hat.

The CHAIRMAN. All right; \$300 for 2,000 hats.

Mr. GRAY. Yes.

The CHAIRMAN. Your contention is that you did not get that many hats to begin with. You only got 1,820 instead of 2,000, and they only cost \$126 instead of \$300. Is that your contention?

Mr. GRAY. I don't know how many hats were delivered. All I am going by is their own paperwork.

The CHAIRMAN. The paperwork?

Mr. GRAY. From the paperwork; that would be correct.

The CHAIRMAN. Your invoices show 1,820 hats from the Hirsch Co.; is that right?

Mr. GRAY. One thousand eight hundred and ten; yes.

The CHAIRMAN. And they charged you \$126 for 1,810 hats.

Mr. GRAY. That is right.

The CHAIRMAN. Then you get a bill, however, from Hirsch—I mean from Colonial for 2,000 hats at \$300.

Mr. GRAY. That is correct.

The CHAIRMAN. Does that include the hats, or does anything indicate that the 2,000 hats are the same hats as the Hirsch hats?

Mr. GRAY. To the best of my recollection, that is all that shows.

The CHAIRMAN. What do you know?

Mr. GRAY. All I know is what they put on the paper here versus the invoice from Hirsch.

The CHAIRMAN. It is a pretty serious charge. I am not saying they are guilty or innocent. I don't know. At the moment, I don't care, to tell you the truth. What I want to know is that there is a charge here that you actually got the 1,820 hats that came from Hirsch. By handling it this way, you were billed for 2,000 hats instead of 1,820.

Mr. GRAY. Yes.

The CHAIRMAN. And for \$300 instead of \$126. Is that your contention?

Mr. GRAY. That is right. Then I complained to the friend who happened to be a nephew of Mr. Gosser what an awful price it was for the paper hats. As a result of that conversation, I got a credit of \$120. It still left \$54 more than I should have paid in the first place, even after I got the credit.

(At this point Senator Ervin entered the hearing room.)

(At this point members present were Senators McClellan, Mundt, Kennedy, Ervin, and Curtis.)

Senator CURTIS. Now, Mr. Gray, I think I can clear up that item and that will be of help to all of us.

If you will look at the inventory from Hirsch & Co., it says 1,800 printed hats, and over at the price, they were 7 cents each, and they figured out at \$126.

Mr. GRAY. That is correct.

Senator CURTIS. Now, on the inventory that came from Colonial Hardware & Sporting Goods Co., there were 2,000 paper hats at \$300.

Now, if my mathematics is correct, that was 15 cents a hat. You complained about it and they did reduce that \$120.

Mr. GRAY. I think that is right. That is correct.

Senator CURTIS. But that reduction was made after you complained?

Mr. GRAY. Oh, yes.

Senator CURTIS. Now, look at Mr. Hirsch's item, because we don't want to be unfair in comparing the totals. Look at the Hirsch inventory and at some items there that you know were marked up. Tell us what they are and what they are in the Hirsch inventory and what they are in the bills submitted to you from Colonial.

Mr. GRAY. Well, they have Bugs Bunny.

Senator CURTIS. That is the first item on Hirsch?

Mr. GRAY. Yes, sir. That is two gross.

Senator CURTIS. At \$18?

Mr. GRAY. That is correct; and \$36 total.

Senator CURTIS. That is how much Hirsch was billing local 12 for?

Mr. GRAY. That is correct.

Senator CURTIS. Now, the bill for the same items that you got from Colonial, how much was that?

Mr. GRAY. Well, they grouped them together, and you have to go into a couple of different items to get the right amount. You have to go into this. They billed me for $10\frac{1}{2}$ gross of balloons.

Senator CURTIS. Was the Bugs Bunny a balloon?

Mr. GRAY. To my knowledge it was, yes, sir. They had a Bugs Bunny imprint on them.

Senator CURTIS. All right.

Mr. GRAY. And then they had 830, that is a number they have on their business accounts there, on balloons, so it was 3 groups of balloons, which was 6 gross. One cost \$36 total, and the total was \$24 total, and the other was \$13, and then they had a gross and a half at \$86.40.

Then there was some kind of balloons there, \$86.40, and \$32.10. I think in that group I was billed \$399 for that amount, and I should have paid Hirsch \$277.90. There was an overcharge of \$121 between us and the Hirsch Co.

Senator MUNDT. That is \$277 versus \$390?

Mr. GRAY. Yes, over.

Senator KENNEDY. What year was this that the Bugs Bunny was purchased?

Mr. GRAY. Let me see. It was 1949.

Senator KENNEDY. Were they all of the same size?

Mr. GRAY. I think that they might have been different sizes because there were different prices on them, and I personally didn't see the balloons in the bags.

Senator KENNEDY. What we are trying to find out is whether there was an overcharge of \$121; isn't that correct?

Mr. GRAY. That is correct.

Senator KENNEDY. How do you know unless you know what size the Bugs Bunny balloons were?

Mr. GRAY. Because I grouped them together on the basis of the balloons and the gross is the same on the total and there were so many. There were two gross of one kind and two of another, and two of another type, and one and a half, and then you had one and a half group of 36 and one and a half of 16, and 17, or 524. When I got my invoice, they grouped the balloons together, and called them $10\frac{1}{2}$ gross and there is nothing wrong with that, as far as the total quantity was concerned.

It was a method of arriving at a figure, evidently.

In fact, I just happened to get the original invoice or I wouldn't have been any the wiser about it, but I got the original invoice from the Hirsch Co.

Senator CURTIS. Now, Mr. Gray, we want to be as accurate as we can.

Mr. GRAY. I am trying.

Senator CURTIS. I know you are. But I mean in asking my questions, I do not want to get it confused. The inventory from Hirsch was a total of \$810.40. Now, have you made an analysis, tracing over to the Colonial Hardware, of the items that were from Hirsch to see what the union had to pay for them from Colonial?

Mr. GRAY. As near as I can recollect from the notes I have, on these items, I think that we paid, or we were charged, \$382, and of course I got a credit of \$120 from them.

Senator CURTIS. Now you are talking about one item.

Mr. GRAY. I mean the items from Hirsch, that is all.

Senator CURTIS. No. The items from Hirsch total \$810.40. Now, have you made an analysis to see how much you paid Colonial for those items?

Mr. GRAY. Well, I didn't total it up, no.

Senator CURTIS. Do you have an analysis that you have prepared relating to it item by item?

Mr. GRAY. Yes; that is what I put down.

Senator CURTIS. How long is it?

Mr. GRAY. Well, it isn't too long.

Senator CURTIS. All right. Read it.

Mr. GRAY. Well, like for instance, the 40 gross of balloons that were printed, according to my figures here, and I have to doublecheck to make sure, I was charged by Colonial \$150, which according to the way I had it figured here, was a \$23 overcharge for that particular item. I paid Colonial \$23 more than I should have paid them.

Senator CURTIS. Now go on to another item.

Mr. GRAY. Well now, for example, gas, tanks of gas, according to Hirsch I was supposed to receive nine tanks of this helium gas to fill these balloons so they would float and their price for it was \$22.50 each, and so that was an overcharge on that of \$5 a tank, because it comes to \$40, and it should have been more, because we had an extra tank coming, but somewhere along the line they didn't charge it, but we can put it down as \$5 according to their own figures, and we paid \$40 more on the eight tanks that they claim we got.

Senator KENNEDY. When you say "overcharge" are you comparing what they would be sold, the Bugs Bunny balloons would be sold at other retail stores or are you talking about the difference in the markup between the retailer and the wholesaler?

Mr. GRAY. I went to the company and asked them if that was any different to local 12, and he said it was made out to local 12 and that is my price to you.

Senator KENNEDY. Could you answer my question?

Mr. GRAY. Repeat it again.

Senator KENNEDY. I am trying to find out, when you talk about the markup or the overcharge, whether you are talking about the difference between the wholesale and the retail price or whether you are talking about a comparison between the retail prices of Colonial as compared to other hardware stores.

Mr. GRAY. I don't know about other hardware stores. The only think I know about it, Senator Kennedy, is what I could have paid for these particular items had I paid them direct, and instead of going through Mr. Gosser's hardware store.

I could have bought them at these figures from the Hirsch Co., and there is no argument about that. I have it on paper made out to me.

Senator KENNEDY. Could you answer my question, which is a different question.

Mr. GRAY. I never checked any other store, and I do not know of any other hardware stores handling balloons.

Senator KENNEDY. You are talking about the difference between the wholesaler and the retailer?

Mr. GRAY. I am not arguing about the wholesaler and retailer.

Senator KENNEDY. You are stating that is an overcharge, and I understand that statement of yours. Now I am asking you another question, which is how do the prices compare between the retail prices in this hardware store, and other hardware stores on these goods. Do you know anything about that?

Mr. GRAY. I said I never heard of any hardware store handling balloons, and in fact, Colonial don't handle them, they just route the billing through there.

Senator ERVIN. Could I ask the same question in a different way? Was Hirsch a wholesaler or a retailer?

Mr. GRAY. I believe it is a wholesale house. We had connections there with the local business, and you don't have to buy retail.

Senator ERVIN. It is a wholesaler.

Mr. GRAY. Yes, sir.

Senator ERVIN. And the Gosser Hardware Store was a retailer?

Mr. GRAY. Yes, but mind you, we could buy direct from the wholesale house without having to go through Colonial Hardware because the bill is made out to local 12 and it wasn't originally sold to the Colonial Hardware.

Senator CURTIS. In that connection, Mr. Gray, this bill that you said came to you through the mail, it says, "Hirsch Co., Toledo 4, Ohio, invoice 5937," and it says, "Sold to Local 12, UAW-CIO, Toledo, Ohio."

Mr. GRAY. That is correct.

Senator CURTIS. And they billed it to you to pay?

Mr. GRAY. That is right.

Senator CURTIS. But the operation there and the general directions were such that you were not to pay that bill?

Mr. GRAY. That is correct.

Senator CURTIS. And Hirsch was directed to bill Colonial Hardware and then Colonial Hardware billed the union?

Mr. GRAY. I don't know how they directed Hirsch, but I know that we didn't pay Hirsch, and we had to pay Colonial Hardware.

Senator CURTIS. You had to pay Colonial Hardware?

Mr. GRAY. Yes, sir.

Senator CURTIS. All right.

Senator MUNDT. Why did you pay Colonial Hardware instead of sending a check through the mails to the fellow who sent you the bill, the Hirsch Co.?

Mr. GRAY. Because that was the setup Mr. Gosser had for the hardware business. I mean you could complain too strong and you no longer worked there. The auditors complained to me about the prices, and I went to Mazy.

Senator MUNDT. Mr. Gosser instructed you not to pay the wholesaler direct for the bills, but you should pay the Colonial Hardware Co. instead?

Mr. GRAY. Not on this individual item, it was a standard rule. I was to pay the Colonial Hardware for whatever merchandise we secured.

Senator MUNDT. Mr. Gosser's hardware store kited the invoice and charged you more than you would have had to pay otherwise?

Mr. GRAY. I could have bought the stuff cheaper and I complained to Schultz. Why did they knock down \$120 on their statement when I bellyached about it? If their price was right, they couldn't afford to have knocked off \$120. They wouldn't have been in business long.

Mr. MANUEL. Now, haven't you analyzed the invoices and compared the Hirsch invoice against Colonial's own invoice, and don't you have that analysis right in front of you there?

Now tell me how much these items were marked up in total. The Hirsch invoice shows a total of \$810.40. Now, you made an analysis there and you have the total markup, do you not?

Mr. GRAY. I had a total markup of additional—of \$382.10, I believe it was.

Mr. MANUEL. \$382.10 above the \$810?

Mr. GRAY. That is right. And I got a credit of \$120, which brought it down to \$262.10.

Mr. MANUEL. You paid \$262.10 more than you should have paid; is that your testimony?

Mr. GRAY. And if I hadn't hollered about it, I would have paid it all.

Mr. MANUEL. You paid \$262 on that one little invoice there more than you should have, and more than you could have purchased that for at Hirsch yourself?

Mr. GRAY. That is correct.

Mr. MANUEL. Did you go to Hirsch and ask them about this?

Mr. GRAY. I went to a fellow who claimed he was the manager, and I don't know his name.

Mr. MANUEL. There is a salesman "House" indicated on this invoice, and did you talk to House?

Mr. GRAY. I don't know, and I just asked for the manager, in order to check on this bill, if that was a special price.

Mr. MANUEL. They told you, did they, that you could have bought it yourself there for the prices listed on the Hirsch invoice?

Mr. GRAY. When I showed them the bill, they said, "That is our price to anybody."

Mr. MANUEL. To anybody?

Mr. GRAY. Yes, sir.

Mr. MANUEL. That is the \$810?

Mr. GRAY. That is right. And he said, "We are a wholesale house and"—

Mr. MANUEL. Gosser defrauded the union out of \$262 there on that one transaction, didn't he?

Mr. GRAY. That is the way I felt about it.

Senator CURTIS. Now, you had nothing to do with the books and records of the Colonial Hardware Store?

Mr. GRAY. No; I didn't keep them.

Senator CURTIS. Now, I think the committee can take judicial notice of the fact that requests for subpoenas have been out for the books and records of the Colonial Hardware and that the staff report is that they are not available. I believe that is the situation.

Now, speaking of books and records, you heard Mr. Bolman testify yesterday that he made a demand to see the books and records of the building corporation. Later on a suit was filed over the contention that he would have a right to see them.

Did you, as financial secretary at that time, have those books and records?

Mr. GRAY. I certainly did.

Senator CURTIS. During the time described by Mr. Bolman, what was done with the books and records? Do you recall he asked you to see them?

Mr. GRAY. And I told him I couldn't do it unless I got an OK from Mr. Gosser.

Senator CURTIS. Tell us about those books and records. What happened after that?

Mr. GRAY. Well, I think shortly afterward, when Mr. Bolman spoke to me, I think there was a lawsuit entered and I was instructed by Gosser with the help of Mr. Goerlich to make sure that we kept these records out of sight, because I understood there was an order out or subpoena to pick them up.

Senator CURTIS. Who made that statement to you?

Mr. GRAY. Mr. Gosser.

Senator CURTIS. And who else?

Mr. GRAY. Well, Mr. Goerlich helped on it at the time, on the basis of making the arrangements.

Senator CURTIS. He is the attorney here in the room that represented the union?

Mr. GRAY. Yes, something about the legal end of it and I don't understand that part, and he took care of the legal affairs.

Senator CURTIS. But the order came from Gosser to keep them out of sight?

Mr. GRAY. He wasn't there at that particular time, and he came in later.

Senator CURTIS. Gosser told you to keep them out of sight, and what was done with them?

Mr. GRAY. Well, I was only the secretary of the corporation, and I didn't think it was my job to be hiding these books all of the time. So anyhow, I was told to put them in the car and get them out of the union building.

Senator CURTIS. Did you put them in your car?

Mr. GRAY. Yes, I hauled them around for weeks on end.

Senator CURTIS. Where did you have them in your car?

Mr. GRAY. I had them in the trunk, and I hauled them up to Michigan and I left them sometimes.

Senator CURTIS. Where did you leave them in Michigan?

Mr. GRAY. I left them at a cottage that I had up there, and in the meantime I brought them back a couple of times, so they wouldn't stay too long in one place, and the result was I went out to Mr. Seren's house, who happened to be the vice president of the corporation, and I said, "My God, you are in charge. Gosser is president and you are the vice president, and if anybody should give this direction, and as long as Gosser is going to take a fadeout."

And he said, "I don't want any part of it. You get rid of them. Keep them out of sight."

And so I go to Mr. Ruland and said, "You are the treasurer, how about you taking them over?"

And nobody wanted anything to do with them, and I am stuck with them and don't know what to do with them.

Finally an order does come around and they advised me that after going through them, sorting a few of them out, there were a few records tore up, and disposed of."

Senator CURTIS. By whom?

Mr. GRAY. By Mr. Goerlich.

Senator CURTIS. In your presence?

Mr. GRAY. That is correct.

Senator CURTIS. Where did that take place?

Mr. GRAY. If I recall rightly, it was in either his office on Superior Street, or there were a couple of things did happen there.

Senator CURTIS. You say some of the records were destroyed?

Mr. GRAY. I don't know just what they were. He looked at them and I didn't look at them. And he was sorting out what would be criminal against us, and what could be gone through and look all right. But I don't know anything about this legal stuff.

Senator CURTIS. But you did see in your presence some of the documents or pages—

Mr. GRAY. Oh, yes.

Senator CURTIS. That were up to that time regarded as records—

Mr. GRAY. Oh, yes.

Senator CURTIS. And they were removed and destroyed by Mr. Goerlich, and, you of course, do not know their contents?

Mr. GRAY. I don't know, and the only thing I looked at, he had them in his hands, and he tore them up and put them in the waste-paper basket.

Senator CURTIS. These records at Mr. Gosser's direction to you kept out of sight and carted around in your car, what ultimately happened to them, and who did you turn them over to?

Mr. GRAY. Well, finally, I don't know, I guess they made some type of arrangements, and finally they said that I could turn them over to the court for safekeeping, what I did turn over. I believe it was the county clerk of the court in Merrill County. I turned some records over, I should say, what I was given to turn over.

Senator CURTIS. Were there any new records made up?

Mr. GRAY. Well, outside of that one that I know of, on the basis of the minutes at that time, on giving that lodge to Mr. Gosser, that is the only change I know of.

Senator CURTIS. Did you hear any discussion or direction that someone should make up some new records?

Mr. GRAY. Well, not exactly on the building corporation, but on the Colonial Hardware.

Senator CURTIS. Yes, what did you hear?

Mr. GRAY. Well, I was told that I had to testify that I could buy stuff from the Colonial Hardware cheaper than anyplace else in town, and I refused.

Senator CURTIS. Who told you that?

Mr. GRAY. Mr. Ballard.

Senator CURTIS. About when?

Mr. GRAY. Well, it was during one of the deposition hearings, and I believe it was in the late fall, around November or December.

Senator CURTIS. Of what year?

Mr. GRAY. 1949.

Senator CURTIS. 1949?

Mr. GRAY. Yes, sir.

Senator CURTIS. This is Mr. Ballard, who is here, and he was regional representative?

Mr. GRAY. I saw him this morning, and I assume he is here. I know him real well.

Senator CURTIS. Did you so testify?

Mr. GRAY. No; I did not testify. I was put under so much pressure that I just cracked up and I took a leave of absence.

Senator CURTIS. Ultimately, what happened to you?

Mr. GRAY. Well, I took a leave of 2 or 3 months, but, of course, prior to this, Mr. Rath, who is Mr. Gosser's accountant, was with me at this particular time when I was told about testifying, and Mr. Goerlich instructed him to make up a set of records that would hold up in court.

I complained about that, because I said I didn't see how they could change anything, inasmuch as I had already paid certain invoices, and I had canceled checks; and he said, "We are going to take care of that. You hurry up, Bob, and get them ready."

I don't know what was done about it. All I know is that he was instructed to get them done, and whether Mr. Rath did it or not I don't know.

Senator CURTIS. Now, were you removed as financial secretary or did your term run out?

Mr. GRAY. Well, I don't know just how to say it. I refused to be a strikebreaker for the UAW. Mr. Gosser had interfered with the office help to the extent he had ordered Mr. Seren to move out the equipment and tabulating machines in my office and go back to the old—I don't know—hunt-and-find system they had around there, and laid off my help.

As a result there was so much resentment in the girls that they went on strike. I wasn't at the local at the particular time they went on strike. But I refused to go back to work until the strike was settled, and I so notified Mr. Mazey by telegram that I wasn't responsible for the office, due to the fact that I had information that they had already opened up the office in my absence and were doing some business there.

I wouldn't come back in until they had cleared me of the records in the office. So the result is that I never did go back, because they never settled the strike, and Mr. Mazey says I didn't have any business trying to settle the office workers' strike because I was an official of the UAW.

Inasmuch as the office help decided it, I had negotiated for them in the past.

Senator MUNDT. You say you were put out of your job because you refused to be a strikebreaker?

Mr. GRAY. The only thing they claimed is that I failed to perform my duties. There was a picket line and I refused to work as a strikebreaker against the office help. I don't know how you term it.

Senator MUNDT. Did you say that you were fired because you refused to cross a picket line?

Mr. GRAY. They said I was discharged because I failed to perform my duties. They are very polite about their language.

Senator MUNDT. You could not perform your duties because you did not cross the picket line?

Mr. GRAY. That is right. I was under the impression when there was a strike you were not supposed to go in there and scab.

Senator KENNEDY. When did the strike begin?

Mr. GRAY. Somewhere around May 16, 1950.

Senator KENNEDY. That is the first day you didn't report to work?

Mr. GRAY. Somewhere close by. In fact, I was gone when the strike happened. I didn't know about it until I was at the bank and I was told about it downtown.

Senator KENNEDY. What date was that?

Mr. GRAY. Either the 15th or 16th of May, I believe, 1950.

Senator KENNEDY. When you used the word "crackup," when did you crack up?

Mr. GRAY. They pressured me. I didn't want to listen to these guys pressure me all the time on the basis that I had to lie to protect some of the doings in the union. I was supposed to take the consequences for it if I didn't.

Senator KENNEDY. What date was that?

Mr. GRAY. I am not sure about the date. I think it was somewhere around December 1949.

Senator KENNEDY. You say you were discharged from the union. It was a more substantial disagreement than merely you refused to cross a picket line on a certain date.

Mr. GRAY. What do you mean disagreement? Hell, I went to Detroit. I talked to Mazey about the conditions in this local union. He agreed. He met with Reuther, he claims. He tells me. I didn't meet with Walter, although I know Walter. I told him about these conditions, and he had to do something about it. He promised to go along and get it corrected. I had all the faith in Emil Mazey until he doublecrossed me. He threw in with them. The auditors knew what was going on.

Senator KENNEDY. You have charged a lot of people with fraud, strikebreaking, doublecrossing, Mr. Gray. Now you stated to us that the reason you left the UAW was you refused to cross a picket line and be a strikebreaker for the UAW. That is not really the reason.

Mr. GRAY. I don't know why it ain't. What else could it be? You ain't going to put words in my mouth.

The girls went on strike and I have not been back in the building.

Senator KENNEDY. When did the strike begin?

Mr. GRAY. May 15.

Senator KENNEDY. May 1950 the strike began?

Mr. GRAY. I don't know the day. It is close.

Senator KENNEDY. One day in May you refused to cross a picket line; is that correct?

Mr. GRAY. Somewhere in there.

Senator KENNEDY. What happened? Were you notified you were suspended as a result of that?

Mr. GRAY. No, not right then. I think it went on—they had meetings. In fact, I met with Mr. Mazey afterwards. I think I met with

the international executive board. I think they had a meeting in Detroit, Senator, afterwards, and notified me—I was given some kind of time limit. I could come back and perform my duties. But upon failing to do that I would be replaced. There was not any ganging about it.

Senator KENNEDY. Is it true that you had a physical breakup in December 1949?

Mr. GRAY. I just was tired and exhausted from this pressure is all. I was not in any institution. If that is what you are trying to get at. I know what the letter is about. Read it.

Senator KENNEDY. I am trying to ask you.

Mr. GRAY. I know what you are getting at. Read the letter. It has been published in the Blade. Let us don't try to cover it up. Let us bring it out in the open. I saw Mr. Rauh have it yesterday here.

The CHAIRMAN. Wait a minute. I am trying to be helpful to you now, if you will listen.

Mr. GRAY. Sure.

The CHAIRMAN. Be quiet and understand the question, and then answer it.

Mr. GRAY. I agree with you.

The CHAIRMAN. You will do better than you are doing now.

Senator KENNEDY. Mr. Gray, all I am trying to get at is whether the reason you had the split with the UAW is because on a day in May 1950 you said you would not cross a picket line.

Mr. GRAY. That is correct.

Senator KENNEDY. I am trying to find that out.

Mr. GRAY. I was working at that time. I was at the local then.

Senator KENNEDY. Hadn't you had a physical and mental breakdown in December 1949?

Mr. GRAY. It was exhaustion. That is what I was told. I don't know. I never was told to my face.

Senator KENNEDY. Isn't it a fact that you and the UAW had difficulty whether you were performing your duties for a substantial period of time in 1949 and 1950?

Mr. GRAY. That was a gimmick that was used to give me the ax. I mean I know how the union operates. I think you probably should be a member awhile and see how it does operate. You would not be asking that kind of question. They are bound to try to defend themselves, and I don't blame them for trying to do that.

Senator KENNEDY. I don't blame you for trying to defend yourself.

Thank you very much.

Senator CURTIS. Mr. Gray, did you pay into the flower fund?

Mr. GRAY. I most certainly did.

Senator CURTIS. When did you begin paying? I am not referring so much to the date, but when you took that job did you start paying?

Mr. GRAY. I think when I was financial secretary.

Senator CURTIS. That meant that you were an employee of local 12?

Mr. GRAY. That is right.

Senator CURTIS. Did you continue with substantial regularity throughout the time that you were financial secretary up until these disagreements arose?

Mr. GRAY. Oh, yes.

Senator CURTIS. How much did you pay?

Mr. GRAY. I paid \$5 a week.

Senator CURTIS. \$5 a week?

Mr. GRAY. Yes.

Senator CURTIS. How did you pay that?

Mr. GRAY. I paid it in cash.

Senator CURTIS. To whom did you pay it?

Mr. GRAY. I paid it to Agnes Pastore who was Mr. Schultz' secretary.

Senator CURTIS. It was always paid in cash?

Mr. GRAY. Yes.

Senator CURTIS. Were you required to pay that?

Mr. GRAY. If you didn't pay it you didn't stay beyond your term unless they could find some reason to dump you in between terms.

Senator CURTIS. Is it fair to say that as far as you were concerned it was a condition of employment?

Mr. GRAY. It most certainly was.

Senator CURTIS. Did you ever get any accounting of what this flower fund was used for?

Mr. GRAY. No, I never got no accounting.

Senator CURTIS. Did you ever get a report of how much was received and how much was paid out?

Mr. GRAY. No, sir.

Senator CURTIS. Do you know of anyone else that ever did?

Mr. GRAY. Not to my knowledge. I know quite a few of the boys.

Senator CURTIS. Did any of Mr. Gosser's staff ever complain about this?

Mr. GRAY. Oh, God, his own letter states that everybody was belly-aching about it because he didn't want to mention fines and flower funds. He wanted you to pay it and keep quiet. In fact, I think Rusch was one. Dorsey Carr. I think Art Peth. Harold Dean was one of them.

Senator MUNDT. Why did you pay it to Mr. Schultz? Who was he?

Mr. GRAY. Well, it was kind of a three-way handy setup there. The local officers paid theirs to Schultz and then the regional office paid it to Ballard's office, which is a combination of Gosser's office. Then Gosser people paid it in their office up there. It was a three-step plan there.

Senator MUNDT. Was this the Schultz who was the partner of Mr. Gosser in the hardware store?

Mr. GRAY. Yes. Schultz in turn had to turn this over to Mr. Gosser. His flower fund collection he made from local officers.

Senator MUNDT. Went to Gosser?

Mr. GRAY. Yes. Ballard turned his over, too.

Senator MUNDT. Was he an official of the union as well as being Mr. Gosser's partner in the hardware store?

Mr. GRAY. Yes.

Senator MUNDT. What was his position?

Mr. GRAY. He was the president.

Senator MUNDT. He was the president of the local, of which you were financial secretary?

Mr. GRAY. That is correct.

The CHAIRMAN. Is there anything further?

Senator CURTIS. Yes.

Now, Mr. Gray, were there any slot machines around the union or any of their premises?

Mr. GRAY. Yes. You would have thought it was Las Vegas at times.

Senator CURTIS. What was that?

Mr. GRAY. You would have thought you were in Las Vegas at times. Sure we had slot machines.

Senator CURTIS. Do you know about the purchase of any slot machines?

Mr. GRAY. Oh, yes.

Senator CURTIS. Who paid for them?

Mr. GRAY. I think we bought some type of machine in Chicago. Then there was a check made out to Mr. Meyers. If I remember right, it was several hundred dollars. All I done was witness the transaction to the Fretti boys. I forget if it was Joe or Ben, because they were partners of Meyers handing the money to Mr. Fretti so he would have a witness showing because they didn't like to deal in checks.

So I witnessed the transaction of him passing the money off for the slot machines on a certain number of them at one time.

Senator CURTIS. What premises were these slot machines on?

Mr. GRAY. It was on local property. Part of them, and part of them was at TIUC.

Senator CURTIS. Part of the machines paid for by local 12?

Mr. GRAY. Yes.

Senator CURTIS. Here is a document that I would like to have identified.

The CHAIRMAN. State what it is, Senator.

Senator CURTIS. This is a carbon copy of a letter dated April 14, 1948, to Walter Murphy, from Richard Gosser, the subject is slot machines.

The CHAIRMAN. Present it to the witness and let him state if he identifies it.

(The document was handed to the witness.)

The CHAIRMAN. Do you identify the document handed by the clerk?

Mr. GRAY. Yes.

The CHAIRMAN. What is it?

Mr. GRAY. It is a document to Walter Murphy from Richard Gosser, regarding slot machines.

This is to inform you to buy one 25-cent slot machine at a cost of—
I believe it is \$258. It is kind of blurred there—

as discussed by us. We will look this one over and then decide the amount of slot machines we will purchase.

Fraternally,

RICHARD GOSSER.

Senator CURTIS. What title did Mr. Gosser have at that time?

Mr. GRAY. International vice president.

Senator CURTIS. But this was a purchase made by local 12 from their funds?

Mr. GRAY. Yes.

Senator CURTIS. He ordered the purchase of slot machines?

Mr. GRAY. Yes.

Senator CURTIS. Were there other slot machines in addition to what is referred to in this letter?

Mr. GRAY. Well, we had quite a number of slot machines. Some would break down and they would buy additional ones and use some of the others for parts.

Senator CURTIS. Were there some slot machines in there that were not owned by the union but were put in there by a group who maintained slot machines?

Mr. GRAY. I believe there were some slot machines and I believe a racehorse machine, and a golf-ball machine, or something like that. Then I think they had one or two machines. I don't know which is which, because they all look alike to me. They are all bandits to me.

Senator CURTIS. Is it true that there were some slot machines that were purchased outright by the union and there were other slot machines that were put in there by somebody else?

Mr. GRAY. Yes; there were machines in there.

The CHAIRMAN. Where were these machines? In the union hall?

Mr. GRAY. Yes, sir; in what they call the taproom. It is an ordinary tavern bar down in the basement.

Senator CURTIS. I will hand this to you, Mr. Chairman, if you wish.

(The document was handed to the chairman.)

The CHAIRMAN. I hand you here a document written in pen and ink, dated May 15, 1946. Please examine it and state if you identify it.

(The document was handed to the witness.)

Mr. GRAY. Yes. It is a receipt received by the UAW-CIO for the sum of \$125 in full payment of one 25-cent double jackpot and kitty machine, signed by Sidney Gracie.

Senator CURTIS. That is a receipt for a slot machine purchased with local 12 money?

Mr. GRAY. That is right.

Senator CURTIS. Did you witness, or did you have anything to do with the transaction of purchasing this machine or any other machines so far as the details of getting the money out of the treasury of local 12 and turning it over to the people that furnished the machines?

Mr. GRAY. You mean the—

Senator CURTIS. The payment.

Mr. GRAY. Oh, the payment. I witnessed one payment.

Senator CURTIS. Will you tell us how that payment was handled and what you saw and heard?

Mr. GRAY. As near as I recall a check was written and was made out, I believe, to Meyers, or some other name. I don't recall offhand.

Senator CURTIS. A name other than the seller of the slot machine?

Mr. GRAY. Yes. Well—

Senator CURTIS. Is that correct?

Mr. GRAY. There was not any name of the seller of the slot machines. I was to witness the money passing to Mr. Fretti, who was to furnish the machines.

Senator CURTIS. A check was made to someone. Was that check delivered to the seller of the slot machines? The check?

Mr. GRAY. No, no. It was cash and he got his money in cash.

Senator CURTIS. Who cashed the check, if you know?

Mr. GRAY. I really don't know. Norm Meyers handled the transaction.

Senator CURTIS. Who is Norm Meyers?

Mr. GRAY. He was the treasurer of the local. I was only the witness.

Senator CURTIS. What did you witness?

Mr. GRAY. The passing of the money from Mr. Meyers to Mr. Fretti.

Senator CURTIS. Where did that take place?

Mr. GRAY. In the bar of the local union hall.

Senator CURTIS. Who is Mr. Fretti?

Mr. GRAY. He is one of the gambling people there. They handle machines, and so forth, around town there. I believe they both passed away now.

Senator CURTIS. You have lived in that area how long?

Mr. GRAY. I believe since about 1925.

Senator CURTIS. This is Mr. Fretti about whom we are concerned, is it common knowledge that he is regarded as connected with gambling interests in the Toledo area?

Mr. GRAY. Yes; in fact, he was before the Senator Kefauver committee when they had their hearings on gambling.

Senator CURTIS. And the payment for these slot machines, the one instance you witnessed, the check was written and cashed and then the money passed in the bar.

Mr. GRAY. That is what I understand from Meyers. He said he had to make out a check. Of course, the only part I played was on the basis of witnessing and make sure he got the money. I don't recall the incidental check.

Senator CURTIS. Were these slot machines ever opened up and the money taken out?

Mr. GRAY. Oh, yes.

Senator CURTIS. About how often would they do that?

Mr. GRAY. They were supposed to do it when busy every day. Then if we were not too busy, every other day.

Senator CURTIS. Who would do that?

Mr. GRAY. Mr. Myers, who was the treasurer, and Mr. Aufdenkampe, who is the nephew of Mr. Gosser, and sometimes Mr. Murphy.

The CHAIRMAN. Who got the money, and who got the profit out of it, and let us get it over with. It doesn't matter who did the mechanical work to get the money out.

Who got the profit?

Mr. GRAY. We were supposed to get half of this money.

The CHAIRMAN. Who are "we"?

Mr. GRAY. The local union.

The CHAIRMAN. You were supposed to get half of the profit or half of all they took in?

Mr. GRAY. The only thing I know about the half is what was turned over to me. That would be half of what I would get for the local union treasurer. If it was more than that I would not know.

The CHAIRMAN. It did go into the union treasury?

Mr. GRAY. One-half that was given to me or given to my girl in the office.

The CHAIRMAN. The half of what was given to your girl in the office or given to you went into the treasury?

Mr. GRAY. In other words, if you got \$100 out of the machine, we would possibly wind up with 50 bucks. That is all we would get.

The CHAIRMAN. Whose machines were they?

Mr. GRAY. They were the local union machines.

The CHAIRMAN. The union owned the machines?

Mr. GRAY. That is right.

The CHAIRMAN. You robbed one of the one-armed bandits. You took the money out. You got \$100 out. What became of it?

Mr. GRAY. \$50 was supposed to go to us, and \$50 was to go to Mr. Gosser.

The CHAIRMAN. You are testifying that Mr. Gosser got half the profits?

Mr. GRAY. That is correct. That was the understanding. He was to get half of the money.

The CHAIRMAN. And the local got only half of the money?

Mr. GRAY. That is right.

The CHAIRMAN. That is your testimony under oath?

Mr. GRAY. That is correct.

The CHAIRMAN. Proceed.

Senator MUNDT. You mentioned somebody who took the money out of the machines.

Mr. GRAY. Mr. Aufdenkampe, a nephew of Mr. Gosser.

Senator MUNDT. How do you spell it?

Mr. GRAY. You got me.

We call him Glen.

Senator CURTIS. Now I would like to have you look at this photostat which appears to be a machine report, and see if you know what it is.

(The document was handed to the witness.)

(At this point Senators McClellan and Ervin withdrew from the hearing room.)

Mr. GRAY. It is a record of what they took out for that particular day. There is also a receipt of what was given to me and put in the local union treasury.

Senator CURTIS. That is a photostat of the original record?

Mr. GRAY. Yes, sir.

(At this point Senator Ervin entered the hearing room.)

Senator CURTIS. You have the original record here?

Mr. GRAY. Yes, sir.

Senator CURTIS. The top sheet is a receipt on an official receipt form?

Mr. GRAY. That is right. What it was bought for.

Senator CURTIS. Does that receipt refer to the same report that is attached to it?

Mr. GRAY. Yes.

Senator CURTIS. How much money did you receive?

Mr. GRAY. I received \$116.08.

Senator CURTIS. \$116.08?

Mr. GRAY. Yes.

Senator CURTIS. Now look at the machine report, the second page. This report is dated December 19, 1947. Is that the carbon you have there?

(At this point Senator McClellan entered the hearing room.)

Mr. GRAY. You are talking about the carbon?

Senator CURTIS. Yes.

Mr. GRAY. 12-1947?

Senator CURTIS. Yes. Now, Mr. Gray, the first column identifies the machines, does it not?

Mr. GRAY. Yes.

Senator CURTIS. Then the next column has remarks, most of which are blank in reference to the machine. But there is one that reads,

for instance, "Back from repair, Glen to repair." That would refer to Mr. Aufdenkampe?

Mr. GRAY. Yes.

Senator CURTIS. Then the next column is the amount paid out. That is the amount that somebody would get if they played the machine; is that right?

Mr. GRAY. Either that or they jammed or something like that.

Senator CURTIS. The next column is the amount of money taken out of each machine; is that right?

Mr. GRAY. Yes; that is right.

Senator CURTIS. Near the bottom are some figures that show the disposition of the funds; is that correct?

Mr. GRAY. Yes.

Senator CURTIS. Tell us who got this money in this particular transaction on this card that you are looking at?

Mr. GRAY. According to this, it is R.G.

Senator CURTIS. Take each item. Who got it?

Mr. GRAY. I don't understand what you mean, Senator. You say each item.

Senator CURTIS. R.G. didn't get all the money?

Mr. GRAY. No.

Senator CURTIS. Look at the card.

Mr. GRAY. R.G. is \$20.50.

Senator CURTIS. Begin at the top one. It shows the disposition. Read the amount and tell us who got it.

Mr. GRAY. They took, the way I understand this here—

The CHAIRMAN. Can we move along a little faster? The chairman is going to recess at 12:30 and come back at 1:30. We are going to quit this afternoon. More along now.

Senator CURTIS. Mr. Gray, referring to the disposition of the proceeds, read the first item that shows who got something, how much it was, and where it went.

Mr. GRAY. You mean the first item?

Senator CURTIS. Of disposition of the proceeds.

Mr. GRAY. \$106.

Senator CURTIS. No; that is not disposition of it.

Mr. GRAY. I don't get what you are getting at. I don't understand the question.

Senator CURTIS. We will begin from the bottom.

Mr. GRAY. All right. Ten dollars went to local 12.

Senator CURTIS. \$10 to local 12?

Mr. GRAY. That is correct.

Senator CURTIS. What is the next item above that?

Mr. GRAY. \$15.50 to TIUC.

Senator CURTIS. What is TIUC?

Mr. GRAY. That is the Toledo Industrial Union Council.

Senator CURTIS. Some of the machines were over there?

Mr. GRAY. Yes.

Senator CURTIS. What is the next item?

Mr. GRAY. Maybe it was \$20.50, I believe, to R.G.

Senator CURTIS. Who is R.G.?

Mr. GRAY. I would say it was Richard Gosser.

Senator CURTIS. By that do you mean to say that it personally went into his individual pocket, or that it went to his office to the flower Fund, or some such fund?

Mr. GRAY. My understanding with Mr. Gosser is that this was to go into his flower fund. Whether it actually did, I don't know.

Senator CURTIS. In 1947, what office did he hold?

Mr. GRAY. What part of 1947?

Senator CURTIS. December 19, 1947. Was he regional director?

Mr. GRAY. I believe he was vice president at the time.

Senator CURTIS. And these were machines part of which were purchased by funds of local 12, part of which were on some sort of lease arrangement in local 12 property, but when the proceeds were divided local 12 got \$10, TIUC got \$15.50, and \$20.50 initialed R.G., and that part you are not saying that it went to Richard Gosser as an individual but it went to his office?

Mr. GRAY. When I talked to him when he set these machines up he was going to take half of them for his flower fund.

Senator CURTIS. He was going to take half for his flower fund?

Mr. GRAY. Yes.

Senator CURTIS. I can't read that item. I believe it is \$25.50 R.G. Is that the way you read it?

Mr. GRAY. I was thinking it was \$20.50. It might be \$25.50.

Senator CURTIS. Who signed the card?

Mr. GRAY. Mr. Murphy, Mr. Aufdenkampe, and Mr. Meyers.

The CHAIRMAN. Was it your understanding all the time that when you put these machines in that half of it went into the union and half was going to be taken by Mr. Gosser and go into the flower fund?

Mr. GRAY. That was Mr. Gosser's order.

The CHAIRMAN. Is that your understanding?

Mr. GRAY. Yes.

The CHAIRMAN. It was not set up for Mr. Gosser's personal profit, but half went into the flower fund which was a fund for the benefit of the organization?

Mr. GRAY. I felt he wasn't entitled to any of it because it was union money spent to buy these machines, and he wasn't entitled to a dime.

The CHAIRMAN. It went into a flower fund?

Mr. GRAY. It was supposed to. I don't know. The only thing I can tell you, Senator, I banked some of the money. Some of the amounts I had seen were not anywhere near what he had given me to bank. I banked very small amounts.

Senator CURTIS. May I clarify that, Mr. Chairman, or were you through?

The CHAIRMAN. I am through. I am just trying to move along.

Senator CURTIS. Mr. Gray, what you are saying is that you served as an errand boy sometimes to deposit money for the flower fund?

Mr. GRAY. Yes; sure.

Senator CURTIS. That was Mr. Gosser's flower fund and not property of local 12?

Mr. GRAY. That is correct.

Senator CURTIS. But the banking that you did, the amounts were not equal to the cash that you turned over to Mr. Gosser?

Mr. GRAY. I didn't turn the cash in the first place. The amounts that were collected were very small that I put in the bank aside of what I know went out of the slot machines based on some of the receipts.

Senator CURTIS. I will hand you another document—I would like to have this one made an exhibit.

The CHAIRMAN. The previous document about which the witness has been testifying may be made exhibit No. 45.

(Document referred to was marked "Exhibit No. 45" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Now I present to you another document, a photostatic copy of a sheet of paper. Examine it and state what it is.

(The document was handed to the witness.)

Senator CURTIS. What is the document that you have before you?

Mr. GRAY. It is a photostat of a report on the machine collection and official receipt for the amount that the local received.

Senator CURTIS. Examine that photostat, which has an accounting of machine receipts, or machine income, and then a receipt, and advise me whether or not that relates to machine owned by the union or one that was put in there by somebody else.

Mr. GRAY. If my memory serves me right, based on these names, I believe most of them were our machines.

Senator CURTIS. Your machines?

Mr. GRAY. Yes. There might be a doubt about the golf ball. I am not too positive about that.

Senator CURTIS. The amount of money shown taken in is \$106 and how much cents?

Mr. GRAY. It was \$109.95.

Senator CURTIS. \$109.95?

Mr. GRAY. Yes.

Senator CURTIS. Below it there appears to be an indication as to how much local 12 got of that.

Mr. GRAY. \$54.97, and I issued a receipt for my part of it.

Senator CURTIS. The other part of the exhibit is the receipt for \$54.97?

Mr. GRAY. That is correct.

Senator CURTIS. Does that conform with the practice that was there, that the take from the union-owned machines, local 12 only got half of it?

Mr. GRAY. That is right.

Senator CURTIS. And the other half went up to Gosser's office?

Mr. GRAY. Yes. If we had a syndicate machine, we only got 25 percent.

Senator CURTIS. Who else got the other 25 percent?

Mr. GRAY. You mean on the syndicate machines?

Senator CURTIS. Yes.

Mr. GRAY. That went upstairs, the same. The understanding was that he would get half of that.

Senator CURTIS. The syndicate would get half of it to start with?

Mr. GRAY. The syndicate got \$150. For example, \$300. They would take \$150, I would take \$75, and Gosser's fund was to get the other \$75.

Senator CURTIS. I will hand you another photostat and ask you what that is.

(The document was handed to the witness.)

Mr. GRAY. That is another one of those reports on slot machines.

The CHAIRMAN. Is that comparable to the other ones, giving about the same information?

Senator CURTIS. No; this is a syndicate-owned machine.

The CHAIRMAN. All right.

Mr. GRAY. It is the same thing I mentioned.

The CHAIRMAN. That shows that the syndicate got half of what came out of the machine?

Mr. GRAY. Yes; and we would get half.

The CHAIRMAN. The other half went 25 percent to the union and 25 percent to the Gosser flower fund?

Mr. GRAY. That is right.

Senator CURTIS. This particular ticket relates to a total take of \$17.

Mr. GRAY. That is correct.

Senator CURTIS. The syndicate that furnished the machine got \$8.50?

Mr. GRAY. That is correct.

Senator CURTIS. Examine all those documents together and tell me how much local 12 got and how much went up to Gosser.

Mr. GRAY. \$8.50 was left after the syndicate got, as we term it. We got \$4.25 out of the \$8.50.

Senator CURTIS. Were these machines in there about 3 years?

Mr. GRAY. Somewhere close to there.

Senator CURTIS. You do not have all of the receipts?

Mr. GRAY. Oh, no.

Senator CURTIS. Do you have an estimate of about how many you have?

Mr. GRAY. I don't know. Somewhere maybe around a hundred or so.

Senator CURTIS. Is it about a fifth or a half?

Mr. GRAY. I would say about a fifth.

Senator CURTIS. Have you made a tabulation of the total take involving those you did have?

Mr. GRAY. Based on the understanding that we had about the checking of the machines and so forth, I did make an approximate total. That is just approximate.

Senator CURTIS. We understand that.

Mr. GRAY. I would say based on that it was somewhere between \$75,000 and \$100,000.

Senator CURTIS. The total?

Mr. GRAY. The total that the local should have arrived at at that time. If I understand your question.

Senator CURTIS. How much of that went to Gosser or Gosser's group?

Mr. GRAY. I don't know whether I went into that. Based on that it should have been around—I would have to jot some figures down on that.

Senator CURTIS. We are not going to go into them, but I will hand you a package and ask you what is that package.

(The documents were handed to the witness.)

Mr. GRAY. There were slips and tickets on the union machines and syndicate-owned machines of the local union.

Senator CURTIS. You have estimated that in your opinion that probably is a half of all of the slips that were made during that 3-year period?

Mr. GRAY. I thought it was about a fifth myself.

Senator CURTIS. A fifth, yes.

Mr. GRAY. I am not too sure. It is just a guess.

Senator CURTIS. Can you look at the tabulation there and tell how much Gosser or Gosser's group did get?

Mr. GRAY. Based on this they would have gotten \$18,087.

Senator CURTIS. Here again your statement that this is perhaps a fifth of it is an estimate?

Mr. GRAY. That is right.

Senator CURTIS. So if that estimate were correct, the take to Gosser or Gosser's group would be five times \$18,000?

Mr. GRAY. That is right.

Senator CURTIS. I don't know what that is. I think it is about \$90,000. We want the record to be as accurate as we can, and these figures as to the total amount involved in these slot machines during this period of time are an estimate.

Mr. GRAY. That is correct.

Senator KENNEDY. Are you charging that Mr. Gosser got this personally or this flower fund when you use the word "take," Senator?

Mr. GRAY. You mean if I am making a charge?

Senator KENNEDY. No, I am asking the Senator.

Senator CURTIS. No. I have used the expression here, Mr. Gosser or Mr. Gosser's group, and I asked Mr. Gray that he was charging that it went into Mr. Gosser's personal pocket, and I believe he said "No," that it went up there to his office. That is one of the reasons why we asked for the flower fund records. We asked for them clear up to date. We got a few records for the early months of 1959. We received no records from Mr. Rauh or his clients for 1958 or 1957 or any of the recent years where all of these transactions were handled.

Mr. KENNEDY. What year are we talking about?

Senator CURTIS. What years are they?

Mr. GRAY. 1945-46.

Senator KENNEDY. That is hardly recent years, Senator.

Senator CURTIS. I didn't say they were.

Senator KENNEDY. When were the slot machines taken out? Have there been any in there since 1948?

Mr. GRAY. I believe it was 1948.

Senator KENNEDY. Now we are talking prior to 1948. Senator, when you use the word "take," Mr. Gosser under oath stated it went to the flower fund and the summer camp. I am asking you, have you evidence when you use the word "take" that the money personally went into Mr. Gosser's pocket for his personal use, or if it went to the flower fund or the summer camp. Is there any evidence on that?

Senator CURTIS. It was not my intention to imply or convey the charge that it went to Mr. Gosser personally. We do not know where it went. We do know if we had a flower fund it was an international flower fund, representing a benefit that belonged to local 12.

Senator KENNEDY. And we are also talking about prior to 1948 in this hearing.

Senator CURTIS. I am talking about the entire time that Mr. Gosser has ruled Toledo.

Senator KENNEDY. Isn't it a fact that these machines were taken out in 1948?

Mr. GRAY. Sometime, I think, in 1948. I don't know the exact date, Senator. I know they were in there because quite a few things happened. Records can be established to that effect. We won't quarrel about it.

Senator CURTIS. I might say for the record that the reason we have insisted upon the flower fund records being brought in, even if it was only for the last few years, if they would produce the records it would at least show a pattern of handling the money that was turned over to Gosser's office and they do not produce it.

Mr. RAUH. Mr. Chairman, I think on this question of production of records, I should really have a moment to explain that we have produced everything that exists. We have offered to produce everything. That the records for 1959 are there. If Senator Curtis can make anything of the records of 1959, let him make it, but they are all there.

The CHAIRMAN. Let me say this: There have been delivered to the Chair very, very scant records. You will agree with that?

Mr. RAUH. No, sir. They are very good records for the period of 1959, which is ostensibly all that is involved.

The CHAIRMAN. I don't know that is all involved. All you have delivered to the committee is some records for 1959.

Mr. RAUH. That is correct, sir.

The CHAIRMAN. You have delivered no records of the flower fund prior to 1959.

Mr. RAUH. For the region 2-B, that is correct, sir.

Senator MUNDT. Mr. Chairman, let me pin this down. The years we are talking about in this \$90,000 take, whoever took it or wherever it went, that was supposed to go to local 12, have you produced the records for the flower fund of 1946, 1947, and 1948? These are the 3 years apparently involved in the hearing.

Mr. RAUH. Senator, you heard Mr. Gosser testify under oath that the Internal Revenue went through all of those records and found them in good order, and at the end of that period, this is 1949 or 1950, the Internal Revenue made a full audit of all the records Mr. Gray is talking about, and when they were returned they felt there was no need for them because the Internal Revenue OK'd them.

Subsequently you heard Mr. Gosser testify under oath they have been on a yearly basis for the record, and they are all here.

Senator MUNDT. I believe I heard that. I believe you are saying that after the Internal Revenue looked at them the records were destroyed.

Mr. RAUH. After they had not only looked at them but OK'd the taxes for those years, and everything was found in good order, then there was no longer any sense of keeping them.

This is way back 10 years ago, as everything in this hearing is.

Senator MUNDT. It is a simple thing. Were they destroyed, kept, or disappeared?

Mr. RAUH. You heard Mr. Gosser testify under oath that after the Internal Revenue OK'd them they were either destroyed or thrown in the wastebasket or something.

Senator MUNDT. We are not questioning the Internal Revenue aspect. It makes no difference if the taxes were paid. We are trying to find out what happened to the people in the local.

The CHAIRMAN. The gentleman will bear in mind that you are having a colloquy with the attorney for the UAW. You are not getting evidence.

Senator MUNDT. Do we have records for 1948?

Mr. RAUH. No. They were on a yearly basis.

Senator MUNDT. What happened to the records for 1958?

Mr. RAUH. After each year, and everything was in order, they were not kept any more.

Senator MUNDT. You threw the books away?

Mr. RAUH. It is a certain way to handle it.

Senator MUNDT. It is a strange way to handle, that you throw the books away at the end of every calendar year. Maybe it is sensible. It is not the way we keep books in South Dakota.

Mr. RAUH. Let me point out something about the Internal Revenue.

Senator MUNDT. I am not questioning that.

Mr. RAUH. The Internal Revenue did not assess any tax to Mr. Gosser. This is the complete answer to any suggestion here that he got anything about it because the Internal Revenue went through it and didn't assess any taxes.

Senator MUNDT. Is it your testimony, Mr. Rauh, or are you telling us that the Internal Revenue has already checked the records for 1958? This is only 1959.

Mr. RAUH. They have not. I have no idea. They have never come back.

Senator MUNDT. But you have thrown the books away for 1958.

Mr. RAUH. They have never been interested in this since they made a full check.

Senator MUNDT. You have thrown them away for 1958. If they ask to check them, they are gone.

Mr. RAUH. If they are interested in any way, we will have all the people come in and testify what they gave. There is no problem here, Senator. You are just trying to make one.

The CHAIRMAN. Let us proceed. I just want this record straight, now. The union and Mr. Rauh, as representative of the union, has agreed to make available to this committee at all times any records that the committee asked for that they have. We have asked for these records over a period of years, I think back to 19—

Mr. MANUEL. 1943.

The CHAIRMAN. Anyway, away back. They have been able to comply according to Mr. Rauh's statement by supplying only the check-book for 1959. As I recall, there are no vouchers, are there? Are there vouchers for 1959?

Mr. RAUH. Whatever is in that book, sir. Somebody on your own staff would have to take a look at it.

The CHAIRMAN. We have it, whatever it is, for 1959. Proceed.

Mr. GRAY. Mr. Senator, may I ask a question? If you are talking about a flower fund, what I have reference to is two flower funds.

Senator MUNDT. Tell us about that.

Mr. GRAY. One is called the region 2-B flower fund, and the other one they have is called the international representative machine fund. I don't know who has those particular records.

Senator MUNDT. That doesn't help to clarify it to me. It is a mysterious fund; because it keeps no records, nobody can find out how the money is spent, nobody can find out what happens to it, and the books disappear at the end of every calendar year. You have not helped much by saying they have two funds. You have simply confounded my confusion.

Mr. GRAY. I banked in both funds. There are two of them, not one.

Senator CURTIS. Mr. Chairman, referring again to this matter when it was investigated by the international executive board, headed by Mr. Reuther, they went into these matters, and I will read the allegations and the findings. These are allegations 22, 24, 25, and 26.

The CHAIRMAN. Senator, may I ask, has that book been made an exhibit?

Senator CURTIS. I believe it has.

The CHAIRMAN. What is its number?

Senator CURTIS. I don't know because there are several copies, and I don't believe I am reading from the one that was made.

The CHAIRMAN. I am not sure. I am asking for information. If you want it as evidence, you better have somebody identify it.

Senator CURTIS. I believe it is already in. Here is a very interesting bit of semantics:

Allegation: It is alleged that half of the proceeds of the slot machines were turned over to Brother Gosser's office.

Findings: The slot machines have not been in local 12 since May 1948. There is no supporting evidence that half of the receipts of the slot machines were turned over to Brother Gosser. Brother Gosser categorically denies that he ever handled any of the funds of the local slot machines. It is alleged that slot machines were operated by the Toledo Industrial Union Council and that Brother Gosser received one-half of the proceeds of the operation of these slot machines. Slot machines are not presently in the operation in the Toledo Industrial Council. There has been no supporting evidence that Brother Gosser received half of the proceeds of the slot machines. The question of having slot machines in the TIUC is a matter for that body to determine and is not proper local 12 subject matter.

It is alleged that in a typical month income from the slot machines exceeded \$2,200. Amount turned over to local 12 was \$1,100.

The CHAIRMAN. Senator Curtis, I am advised by the clerk that that document has not been made an exhibit.

Senator CURTIS. All right. I have just one more sentence.

Senator ERVIN. May I ask one question of the witness? I want to keep the record straight.

Senator CURTIS. I will finish the statement.

The CHAIRMAN. You predicate a sentence by saying you have that information. I don't want you to quote evidence unless you have it.

Senator CURTIS (reading):

It is further alleged it was turned over to Brother Gosser's office. Findings: There is no supporting evidence to this allegation. Brother Gosser categorically denies it.

Now, Mr. Chairman, we will have you examine this document and identify it.

(The document was handed to the chairman.)

The CHAIRMAN. This is entitled "Summary of International Executive Board Action re the Situation 1950." Will you examine that, Mr. Gray, and state if you identify this document and what it contains? Is that the document from which you were reading, Senator?

Senator CURTIS. It was.

(The document was handed to the witness.)

Senator KENNEDY. Mr. Chairman, before Mr. Gray leaves, I wonder if it is possible—he made a charge against the attorney of a rather serious nature, Mr. Goerlich, who is back there, that Mr. Goerlich destroyed some records. It seems to me that Mr. Goerlich ought to answer that.

The CHAIRMAN. If we have time.

Senator KENNEDY. Is there any objection to calling Mr. Goerlich?

The CHAIRMAN. We will see this afternoon. What do you say about it?

Mr. GRAY. It is a record. I don't know who made it. It is identified as a record of the charges and findings.

The CHAIRMAN. Are you familiar with it?

Mr. GRAY. Yes, I can understand some of the language. Yes.

The CHAIRMAN. I didn't ask you that. Are you familiar with it and do you identify it as such?

Mr. GRAY. Yes.

The CHAIRMAN. It will be made exhibit 46 for reference.

(Document referred to was marked "Exhibit No. 46" for reference and may be found in the files of the select committee.)

The CHAIRMAN. What is the question now with reference to Mr. Goerlich? What did the witness say about Mr. Goerlich?

Senator KENNEDY. He said he destroyed some records. He tore them up in front of him. Is that correct, Mr. Gray? Will you repeat the charge?

Mr. GRAY. Yes. I said in the arrangement—see, at this particular time I believe Goerlich was handling most of the details of this trouble we were having, and they were sorting out these records and getting them ready for the presentation in case of this audit they actually had to produce these records for the court, because it seemed that we would have a court proceeding and audit.

The CHAIRMAN. I will call Mr. Goerlich just before noon, if we can.

Mr. GRAY. He went through these records. He said, "You never seen these before," and threw them in the wastebasket. That is all happened. We never argued about it to this date. That is what took place.

Senator KENNEDY. Did you say that Mr. Goerlich destroyed some records that the court might have wanted?

Mr. GRAY. That is possible.

Senator KENNEDY. What did he destroy? You don't know what he destroyed?

Mr. GRAY. I don't know the particular records. All I seen was the back and he tore them down the side.

Senator KENNEDY. You don't know what he destroyed?

Mr. GRAY. It was something to do with the Automotive Workers Building Corp., because those are the records I handed to him. I mean a bundle. There was hordes of paper in there. I have no ax to grind with Mr. Goerlich. I state what happened. I like the fellow. I am trying to tell you what took place.

Senator ERVIN. Mr. Gray, did you testify when the UAW board investigated these charges?

Mr. GRAY. For a short period, I believe.

Senator ERVIN. Did you tell the board what you told us here?

Mr. GRAY. I didn't get a chance. I raised the question about the slots to Mr. Reuther and he said I should not raise the question. The result was that he brought these other girls in there, I believe, about that time, and I left.

Senator ERVIN. Why didn't you tell him?

Mr. GRAY. I wish you would have went to the board meeting and see the mob that I had to go through to get in there and be ridiculed and hissed at and name-called to get into the board room.

Senator ERVIN. Was the mob inside the hearing room?

Mr. GRAY. You had to run the gauntlet to get in.

Senator ERVIN. After you got in there was the board there?

Mr. GRAY. Yes, I know most of the fellows.

Senator ERVIN. The mob was not in the hearing room?

Mr. GRAY. I said based on that, it upset me, because they were pushing and shoving.

Senator ERVIN. You got into the hearing room?

Mr. GRAY. Yes, I was in there.

Senator ERVIN. The door of the hearing room, was it open or closed?

Mr. GRAY. They had it closed, but they opened it up. I got in.

Senator ERVIN. You got a closed door behind you?

Mr. GRAY. Walter shut me off on the basis when I started to raise the question, and I felt it was useless.

The CHAIRMAN. If you would wait until the question is asked, and then undertake to answer, you will get a better answer and get a better record. Let him ask the question and then answer.

Senator ERVIN. Why did you not give the hearing board which investigated these charges against Gosser the same testimony that you are giving this committee?

Mr. GRAY. The reason was because I hired an attorney. When Mr. Reuther made a speech, he tried to tell me that I should do what Mr. Reuther wanted me to do, and I told him I was not paying him for that as my attorney. He ought to at least listen to my side of the story.

Senator ERVIN. You don't answer questions. You are talking about what your attorney told you, instead of what happened about your testimony as a witness.

Mr. GRAY. That is why I didn't say it.

Senator ERVIN. Where did your attorney talk to you?

Mr. GRAY. In the hearing room, or this board room, as you call it.

Senator ERVIN. He told you to do what?

Mr. GRAY. To go along with what Mr. Reuther said about forgetting everything and go on back.

Senator ERVIN. Did Mr. Reuther tell you to forget everything? Is that what you are swearing?

Mr. GRAY. They wanted to hush it up. They didn't want it in the newspapers.

Senator ERVIN. Did Mr. Reuther tell you to hush it up?

Mr. GRAY. He made an open statement. I assume he was directing it to me. Either me or my attorney, because we were sitting side by side.

Senator ERVIN. You mean the board sat there with Mr. Reuther and the other members and came there for the purpose of conducting a hearing on these charges and that Mr. Reuther said "Hush everything up, don't tell us anything about the charges"?

Mr. GRAY. This was not the investigating board, sir. This was the executive board.

Senator ERVIN. I have been asking you about the investigating board.

Mr. GRAY. I am not talking about that.

Senator ERVIN. That is what I am talking about.

Mr. GRAY. I didn't appear before the investigating board. I went to appear before what they call the three-man committee, and I told the fellow I was with, if the room was packed, I understood that I was to be given myself in there with the three men to hear my story. I was told that the room was loaded, and there was a lot of people in there. There was some people in the room next to it. So the result was that the city detectives put me in a police car and took me out of the hotel and over to Mr. Stanbridge's office, and later I did talk to Mr. Mazey.

Senator ERVIN. You are now swearing that under no time or under any circumstances were you ever a witness who ever gave any testimony before the board which was hearing these charges?

Mr. GRAY. Not the three-man committee, but before the international board, yes.

Senator ERVIN. Did the international board investigate the charges?

Mr. GRAY. I don't know. They were doing something in town.

Senator ERVIN. In other words, you are telling us now you don't know what the international board was doing?

Mr. GRAY. They were supposed to be investigating what went on. I don't know what they would term it themselves. I was there. I know the people. What the heck, there is no secret about that.

The CHAIRMAN. What the heck, answer the question. You are going round and round. I can't make any sense.

Mr. GRAY. He is trying to get me to answer something—

The CHAIRMAN. Did you appear before a board that was investigating these charges against Mr. Gosser?

Mr. GRAY. No. I just told the Senator there that I started to go there and due to the fact that the room was packed, the fellow was with me was afraid of me having bodily harm, and the result was that the city police took me out of the hearing room to a hotel.

The CHAIRMAN. Then you did not testify before that board?

Mr. GRAY. That is correct.

The CHAIRMAN. All right? Proceed.

Senator CURTIS. In that connection, I want to ask you, these allegations were made by Billheimer and Duck and others, and involved the period during which you were financial secretary. Did you ever have an opportunity or were you ever asked to provide all the information and facts that were available?

Mr. GRAY. No, I never was asked that.

Senator CURTIS. Now, Mr. Gray, we will go to another allegation concerning this matter. Allegation No. 14. In this allegation Billheimer and Duck allege that the financial secretary of local 12 has testified under oath that more than \$300,000 of local 12 and Automotive

Workers Building Corp. funds have been spent in the purchase and operation of the summer camp and farms.

Findings: Dispositions hearing participated by Randolph Gray, former secretary of local 12, fail to substantiate these charges. The audit conducted by the auditors of the international union of the books and records of local 12 and its Automotive Workers Building Corp. fail to substantiate the allegations.

Now, I want to hand you—

The CHAIRMAN. Are you going into something else? I was going to adjourn at 12:30.

Senator CURTIS. I will follow whatever is the pleasure of the chairman.

The CHAIRMAN. Mr. Goerlich, come around a moment. Let me ask you a question.

Do you solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GOERLICH. I do.

The CHAIRMAN. Pull up a chair. State your name, your place of residence, and business or occupation.

TESTIMONY OF LOWELL M. GOERLICH

Mr. GOERLICH. My name is Lowell M. Goerlich. I live at 3841 Harrison Street NW., Washington, D.C. I am an attorney.

The CHAIRMAN. How long have you been a practicing attorney?

Mr. GOERLICH. Since 1937.

The CHAIRMAN. You are allowed to practice in the court here in Washington, and before the Supreme Court?

Mr. GOERLICH. That is right.

The CHAIRMAN. You heard statements made by the witness, Mr. Gray, there on your left, regarding your having destroyed some papers. I am sure you heard his testimony in detail, did you not?

Mr. GOERLICH. Yes.

The CHAIRMAN. He testified you destroyed some records.

Mr. GOERLICH. He testified in the cases involving Bolman in Toledo to the same effect and at that time the statements were false and at this time the statements are also false.

The CHAIRMAN. I am not trying to get somebody else's finding. You heard the testimony. Do you say the testimony he gave here regarding destroying any records, he said he could not identify them, but they came out of the records of what fund?

Mr. GRAY. Automotive Workers Building Corp. records.

The CHAIRMAN. You heard that statement. Is there any truth in it?

Mr. GOERLICH. Is there any truth?

The CHAIRMAN. Did you handle any of the records?

Mr. GOERLICH. I did, sir.

The CHAIRMAN. At the time he refers to?

Mr. GOERLICH. I did.

The CHAIRMAN. Did you destroy any?

Mr. GOERLICH. I did not.

The CHAIRMAN. What did you do with the records?

Mr. GOERLICH. The records were brought to my office by Mr. Gray.

At the time the lower court held that the plaintiff would be entitled to inspect the books and records of the Automotive Workers Building Corp. We filed an appeal to the common pleas court of Lucas County, Ohio. In lieu of placing a bond, we agreed to deposit with the court the records of the Automotive Workers Building Corp. Mr. Gray brought the records to my office in a black bag and he and I, and I think in the company of Smith & Ells, who represented Bolman, took them over to the clerk of the court and deposited them with the clerk. The clerk sealed them and they stayed there until such time as the Supreme Court of Ohio ruled on the case.

The CHAIRMAN. Did you at that time or any time preceding the delivery of those documents to the court withhold, remove, or otherwise retain in your possession or deliver to the possession of anyone else any of the records belonging to this organization?

Mr. GOERLICH. I did not.

The CHAIRMAN. Not any?

Mr. GOERLICH. No.

The CHAIRMAN. That is positive. Any questions?

Senator KENNEDY. Mr. Goerlich, you say there was some reference previously made to this charge of Mr. Gray. Was this 1950?

Mr. GOERLICH. Yes. Let me give you a little background, Senator. Mr. Gray was a defendant in the Bolman cases. As such defendant I was representing him. At least I thought I was. He came in and retained me as his counsel. One day I got a notice to take depositions from the law firm of Smith & Ells. I went over to the depositions and there was Mr. Randolph Gray whose deposition was being taken. At that time he was represented by a new counsel, A. M. Steinberg, who is a lawyer in Toledo. He stated that I was not his counsel. So Mr. Ells had to take Mr. Gray's deposition. Then a little later on, one day a reporter named Howard Heitz, who reported the testimony in these particular cases, came into the office and said, "Do you know they took a deposition of Gray today?" I said, "No, I had no notice of it." He said: "They did. I will sell you a copy of the transcript." He sold me a copy of the transcript. In that particular transcript Gray states that he no longer has Mr. Steinberg as his attorney, but now he has Mr. Davidow as his attorney. He proceeds to give a deposition. In that deposition he made the charges you heard here, saying I had destroyed certain records.

Immediately I went to the secretary of the Toledo Bar Association, together with my partner at that time, a lawyer by the name of Stephen Mack, and talked to the secretary of the Toledo Bar Association and showed him the transcript. He took it from there.

Later on—you have to understand that this was a real political fight in the city of Toledo, and that a lawyer who represented the union from one day to the next did not know whether or not that individual was still his client. For example, Toots Martin back there who I have known for years and years one day is your client and some day is another's client.

The CHAIRMAN. Can't we shorten this?

Senator KENNEDY. Was all this brought out in these hearings in 1950? Have you heard anything that you did not hear before?

Mr. GOERLICH. I have heard nothing. The only thing I heard before that I didn't hear before in these hearings is that Mr. Martin got \$250.

Senator KENNEDY. In other words, this whole argument we have been hearing here has been gone through in 1950?

Mr. GOERLICH. That is right. Mr. Gray appeared at the executive board meeting and recited the same thing he recited here. All the other witnesses and depositions recited everything that was recited here.

Senator KENNEDY. The public purpose of this hearing is to bring out matters which were publicized completely 10 years ago, which everybody is familiar with, in order to use the prestige and standing of this committee in order to smear the UAW?

Mr. GOERLICH. That is right. I might say further that the lawyers who represented the plaintiff in the Bolman cases were convinced that there was no basis to the charges, or that they could prevail finally in court, so they agree to dismiss the actions.

Senator KENNEDY. And they made those statements to our investigators in March 1958, that they could not substantiate the charges.

Mr. GOERLICH. That is right. Here we are trying a lawsuit again that was unsuccessful in Toledo.

The CHAIRMAN. Just a moment.

Senator CURTIS. Let me ask the witness a question.

The CHAIRMAN. Very well.

Senator CURTIS. Is it your testimony, Mr. Goerlich, that all of the detail and exhibits which Mr. Gray has testified about here were testified to before the executive board?

Mr. GOERLICH. I don't want you to get me in a position to say that every item and every statement, but basically the same evidence was introduced in the deposition.

Senator CURTIS. How long did he testify?

Mr. GOERLICH. Where?

Senator CURTIS. Before the executive board.

Mr. GOERLICH. I can't answer that.

Senator CURTIS. Were you there?

Mr. GOERLICH. I don't think I was present at that hearing.

Senator CURTIS. You did state that he testified of this before the executive board.

Mr. GOERLICH. Yes. I heard him testify to that. I also read an article in the Blade.

Senator CURTIS. Just a minute.

Mr. GOERLICH. The Blade article said that he was observed when he left the executive board arguing with his attorney outside the board.

Senator CURTIS. Just a minute.

Mr. GOERLICH. Let me tell you further. Mr. Gray at that time, and he will admit this, he was suffering from a mental disturbance. He had real problems during this period. I doubt very much whether his recollection is as good as it would appear before you Senators here today.

Senator CURTIS. We have sufficient exhibits to support everything he said.

Mr. GOERLICH. One day he says you are my lawyer, and the next day he says you are not my lawyer, and he has another lawyer, and fires him.

Senator CURTIS. Mr. Goerlich, you testified—

The CHAIRMAN. Just a moment. Ask questions, and you answer his questions. Let your answers be responsive to his questions.

Senator CURTIS. Mr. Goerlich, you testified here today that Mr. Gray gave this same testimony to the executive board. Is that true?

Mr. GOERLICH. I cannot answer that question.

Senator CURTIS. Now, Mr. Goerlich, who else did you represent when you say that you were representing Mr. Gray?

Mr. GOERLICH. I represented all the defendants in the Bolman cases.

Senator CURTIS. Who are they?

Mr. GOERLICH. If Mr. Bolman will give me his pleadings.

Senator CURTIS. From your memory who were they?

Mr. GOERLICH. I think the Automotive Workers Building Corp. was a defendant. I think local 12 was a defendant. I think Gosser was a defendant. I think Gray was a defendant. I think Ballard was a defendant. I am not sure, but maybe Murphy was a defendant. I am not sure of that. I think Howard Seren was a defendant. I think Melvin Schultz was a defendant. There may be another. I don't know.

Senator CURTIS. Who paid your fee?

Mr. GOERLICH. I was paid by the international union.

Senator CURTIS. It was not true that you were Mr. Gray's individual attorney, and that he was your sole client and that unbeknownst to you he showed up with other counsel, is it?

Mr. GOERLICH. Would you repeat that question?

Senator CURTIS. Read it.

(The question was read by the reporter.)

Mr. GOERLICH. It was my impression that I represented him both—he was sued, as I recall, as an individual and as an officer of local 12 of the Automotive Workers Building Corp.—it was my impression that I was representing him both as an individual and as an officer of the Automotive Workers Building Corp. of local 12. I might say that after that, after he defected, I was very careful that every individual who was a member of the union or connected with the union gave me some kind of written memorandum saying that they were retaining me as their counsel. It puts a lawyer in a rather peculiar situation when he talks to an individual and thinks he is defending him in a lawsuit, and the next day he finds out he is giving a sneak deposition to counsel on the other side.

Senator CURTIS. I don't want to take time to go into that.

Mr. GOERLICH. Especially when this gets all printed in the Toledo Blade the next day.

Senator CURTIS. Was this occasion when you say these records of the building corporation were delivered to you—

Mr. GOERLICH. I did not say "delivered" to me.

Senator CURTIS. Or to your office and taken to the court. Was that the first time you had anything to do with those records?

Mr. GOERLICH. My recollection is this, and this is my best recollection, that Gray brought them up to my office early in the morning. At that time I had offices in the Edison Building in Toledo. My recollection is that at that time we leafed through the records. I was advised by Gray and by other individuals connected with the union that there was not anything in the records that could not be disclosed to anyone. For that reason they wanted them taken over to the court

and placed in the court's custody so that no one in Toledo would think anyone touched those records, and everyone in Toledo would believe that was a fact, that there was nothing in those records that would indicate that anyone had done anything wrong in connection with it. That was the purpose of it.

The CHAIRMAN. The question was whether you had anything to do with the records before that.

Mr. GOERLICH. The answer is "No."

Senator CURTIS. Had anyone consulted you about the records?

Mr. GOERLICH. Why, of course.

Senator CURTIS. Had they consulted you about the request of Bolman that he inspect the records?

Mr. GOERLICH. Yes. Let me tell you what happened on that.

Senator CURTIS. Your answer is "Yes"?

Mr. GOERLICH. Let me tell you what happened. I can't answer that "Yes" or "No."

Senator KENNEDY. If he is going to be asked questions, he should be permitted to answer.

Senator CURTIS. The record will bear out that he goes on with a lot of unresponsive things.

The CHAIRMAN. Just a moment. The Chair will bring this to a conclusion if we don't make any better progress. The question was asked, and you answered "Yes." You have a right to make a brief explanation of your answer. Proceed.

Mr. GOERLICH. What happened on that was that Bolman, as I recall, submitted a letter to Mr. Gray in which he requested Mr. Gray to turn over to him or let him inspect certain records. That is my recollection. Gray got hold of me and asked me what my reaction was to it. I said a question of this character is one of policy that certainly ought to be discussed with the officers of the Automotive Building Corp. As I understand it, Gray did discuss it further with other officers. In the meantime I can't recall whether the meeting was before that or after that, but I think the meeting was after that, in which Mr. Gray—not Mr. Gray—Mr. Bolman made the motion and called Mr. Murphy a scab.

At that meeting a motion was made which was denied. I think after that someone got a letter from Ells. I think that the union got a letter from Ells, expressing the right to look at the books and records. At that time the matter was again referred to me by Mr. Gray, and I think it might have been Mr. Seren or someone else. We had the thing under advisement.

I called Ells on the phone and said that this is a matter of policy involving the right of an individual to take records. Bolman was suspect. I might say the suspicions were well founded, because later on it was discovered that he was being financed and assisted by our opposition in the city of Toledo. He was suspect. So, as a matter of policy, the union was determining whether they should turn over to Bolman and his attorneys their records.

I told Ells that I would let him know on Monday. But before I got a chance to call him on the phone, the suit was on file. Once the suit was on file, the union decided that they would like to know a little more why Bolman wanted the records. So therefore we went ahead and tried the lawsuit. It was my opinion at the time, under the law

of Ohio, a member such as Bolman did not have the right to inspect these particular records.

Senator CURTIS. Did you know that these records were carried around in Gray's car?

Mr. GOERLICH. I heard that for the first time today.

Senator CURTIS. You heard that for the first time today?

Mr. GOERLICH. Yes.

Senator CURTIS. Did anyone remove any papers, whether they were consequential or not, from these records when they were in your presence?

Mr. GOERLICH. Not to my recollection.

Senator CURTIS. You don't remember?

Mr. GOERLICH. I might say, last time he told the story he said I burned the records. This time I tore them up.

The CHAIRMAN. Did he state it under oath? Just answer it.

Mr. GOERLICH. I will read it to you.

The CHAIRMAN. I don't want that. He did state it under oath, did he?

Mr. GOERLICH. That is right.

The CHAIRMAN. In what hearing?

Mr. GOERLICH. What was the date on that, Joe?

Mr. RAUH. September 28, 1950.

The CHAIRMAN. If you will identify the document, it may be filed here as an exhibit so we can have the record on it. I am trying to expedite this and move along.

Senator CURTIS. What record is that? It might be one we have been hunting for that they say does not exist.

Mr. GOERLICH. It is the deposition of Gray taken on September 28, 1950.

The CHAIRMAN. Let it be filed.

Mr. GOERLICH. You must have it?

The CHAIRMAN. If you want it back, we will make a photostatic copy of it. It may be made exhibit No. 47.

(Document referred to was marked "Exhibit No. 47" for reference and may be found in the files of the select committee.)

The CHAIRMAN. You say in that, as I understand it, that Mr. Gray testified at that time that you burned the records.

Mr. GOERLICH. This was a deposition that was taken at a time when I was not present, in which he first disclosed or made the first assertion—

The CHAIRMAN. About the records?

Mr. GOERLICH. That is right.

Senator CURTIS. Just one question. You leave your testimony as to whether or not any sheets or pages were removed in your presence as saying you do not remember; is that correct?

Mr. GOERLICH. All I can say to you is that I recall of seeing no pages of any character removed from the Automotive Workers Building Corp. records.

I might add this. At the time we surrendered them, there was a question as to whether or not we should turn over the invoices to the court also. This matter was a matter of agreement, that we deposit the records instead of putting up a bond. Gray at that time said these other records are very bulky and they are all out at the local.

So Ells and Smith, one of them, said, "OK, you can supply us with those at the time the court decides whether we have a right to look at them." What happened on that was that when it came time to look at the records, the invoices were not out at the local where Gray said they were. As a matter of fact, it looks to me that those records which Gray said were left at the local are being introduced into evidence today, some of the invoices of Colonial Hardware. He swore under oath that he left all the records out at local 12. They were never found there. Some of the records that appear to be in this case today look like the very same records he said under oath he left at local 12. Then what happened was Ells and Smith charged us with contempt because we don't produce records which Gray said were out at local 12.

Senator CURTIS. Mr. Chairman, the witness does not pretend to give a responsive answer to what we asked him.

The CHAIRMAN. I think that is proper if he is charged with taking records. He says he did not have them. He did not find them where they were supposed to be. He said the witness now is producing possibly what he thought the records were. I do want to shorten the testimony if we can. This is not the crux of the issue. This question about whether the records were burned or destroyed, one witness says they were and the other says they were not. Is there anything further?

Senator CURTIS. On another matter.

The CHAIRMAN. We have been in session now 2 hours and 45 minutes. I propose to run 3 hours this afternoon, and I expect to conclude these hearings by 5 o'clock. We will reconvene at 2 o'clock.

(Members of the select committee present at the time of taking the recess were Senators McClellan, Kennedy, Ervin, and Curtis.)

(Whereupon, at 12:55 p.m., a recess was taken until 2 p.m. the same day.)

AFTERNOON SESSION

(The select committee reconvened at 2 p.m., Senator John L. McClellan, chairman of the select committee, presiding.)

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at the convening of the afternoon session were Senators McClellan and Curtis.)

The CHAIRMAN. We will proceed.

Senator CURTIS. May we have Mr. Goerlich return to the stand, please?

TESTIMONY OF LOWELL M. GOERLICH—Resumed

Senator CURTIS. Mr. Manuel has a few questions.

Mr. MANUEL. Mr. Goerlich, Mr. Gray testified here at this hearing that you, in his presence, destroyed certain records, and I believe you denied that; isn't that right?

Mr. GOERLICH. That is right.

Mr. MANUEL. You denied that, and then I believe Mr. Rauh produced a deposition, and there was some talk about the deposition, in which the chairman then requested that it be put in the record, and that was done. I have this deposition before me.

Now, Mr. Gray testified that you destroyed these records by tearing them up, I believe; isn't that correct?

Mr. GOERLICH. I think so.

Mr. MANUEL. Mr. Rauh, with the deposition open in front of him, says that Mr. Gray testified that you destroyed them by burning them, and I want you to read from your own deposition.

Mr. GOERLICH. Not from my deposition, but from Mr. Gray's deposition.

Mr. MANUEL. From the deposition Mr. Rauh gave you. And I want this very clearly in the record, exactly what Mr. Gray said, and I want you to listen, please:

Question. When did Mr. Goerlich destroy these minutes?

Answer. Just prior to the impounding. It might have been a week or so prior to that time.

Question. Did he destroy them in your presence?

Answer. That is right.

Question. What, if anything, did he say when he destroyed them?

Answer. Well, on the one set he said, "You never seen these before," and on this set he tore them up and said he was going to burn them up in the furnace. And the other set he took home, and he said he was going to defeat the other lawsuits by changing them.

That is what the record says. Mr. Rauh and you say that the record says that you destroyed these records by burning them.

Mr. GOERLICH. That is the way I interpret them.

Mr. MANUEL. Can't you read? It is right here in black and white, or green and black. In effect, you are misrepresenting this deposition, you and Mr. Rauh; weren't you?

Mr. GOERLICH. I am not.

Mr. MANUEL. Couldn't you read it?

Mr. GOERLICH. Let me ask you this: Do you think that I would misrepresent a deposition that was right back here that we are going to put in evidence?

Mr. MANUEL. Do you want your answer read back to you and see if you misrepresented it?

Mr. GOERLICH. How silly do you think a lawyer would be?

Mr. MANUEL. Read this answer, and see if that says what you said.

Mr. GOERLICH. You read it, and I think it says that he said I took them home and burned them.

Mr. MANUEL. Do you agree, have I made a correct reading of it?

Mr. GOERLICH. I think that you can read the English language.

Mr. MANUEL. You turned over all of the records, then, to the court; is that your testimony?

Mr. GOERLICH. I maintained that every record which Mr. Gray brought into my office was turned over to the court. I did not say that all records were turned over to the court, because at the time we turned the records over, Gray said he had invoices and other records out at the local. We talked with the attorneys about whether we should bring those down, and Gray said they were bulky, and if he remembers rightly, that day was compos mentis, then if he remembered rightly, he would know that he said to the attorneys that "These records are bulky, I would rather give them to you later," and they said, "Okay, we will take these records over, and the rest of them you can give to us later."

TESTIMONY OF RANDOLPH GRAY—Resumed

Mr. MANUEL. Now, Mr. Gray, do you stand by your original testimony that this man—and I want you to look him in the eye—destroyed certain records by tearing them up?

Mr. GOERLICH. Do you think he will tell the truth better if he looks me in the eye?

Mr. MANUEL. Is that your testimony? Look him in the eye and tell him that.

Mr. GRAY. Sure. He was right there in the room with me.

TESTIMONY OF LOWELL M. GOERLICH—Resumed

Mr. MANUEL. Do you know Mr. Joseph Ossanna?

Mr. GOERLICH. Mr. Gray reminded me who he was.

Mr. MANUEL. Tell us, please.

Mr. GOERLICH. As I recall, Charles Jaeger, or Yaeger, and Joe Ossanna, were auditing the local union records.

Mr. MANUEL. Was Mr. Ossanna one of the international auditors that was sent in to audit the books and records of the Building Corp. as a result of this suit brought by Mr. Bolman?

Mr. GOERLICH. I think so. Wait a minute now. You have asked me a question, and I don't want my answer to stand to your question.

I don't know whether he was brought in to audit because of the lawsuits that were filed by Bolman, and my recollection is that the auditors were in before the suits were filed.

Mr. MANUEL. In any event, he did audit the books?

Mr. GOERLICH. Mr. Gray would know that, if he remembers correctly.

Mr. MANUEL. In any event, Mr. Ossanna was one of those auditors of the international UAW who did audit the books and records which had been impounded by the court; isn't that a fact?

Mr. GOERLICH. No. As I recall, he was auditing. The UAW set up a committee of three individuals who came down to specifically look over the books and records of the Automotive Workers Building Corp. We went over to the court and asked the clerk if we could have the records for that purpose, and the clerk said, "Go up to the court of appeals and ask them whether you can have them."

We went up to the court of appeals, and the court of appeals said first that you can look at them, and then Mr. Smith, who represented Bolman, showed up, and the court said, "Well, you will have to file a motion to get to look at them."

So we filed a motion, and that committee, ultimately, looked over the books and records of the Automotive Workers Building Corp.

Now, whether Ossanna and Yaeger also looked over those books, I don't know.

Mr. MANUEL. Would it refresh your memory if I told you that the attorney for Mr. Bolman took Mr. Ossanna's deposition about this matter, and you represented Mr. Ossanna?

Mr. GOERLICH. That is right.

Mr. MANUEL. Would that refresh your memory a little bit?

Mr. GOERLICH. As to that fact, yes.

Mr. MANUEL. Now, I will ask Mr. John Bolman if he can identify this as a copy of the deposition in his case.

The CHAIRMAN. Hand him the deposition.

Will you identify that as a description taken in your case?

(The document was handed to Mr. Bolman.)

Mr. GOERLICH. Mr. Chairman, may I make just a brief statement?

I do this because Mr. Toots Martin came up to me after recess and he said that I had made a misstatement about the record. I don't want it to stand that way, because over the years Mr. Martin has been my friend, and I have never had any disputes with him. What I said was that the records showed he had received \$250 for writing an article, and he reminded me that he had written the article, and then some time later had received \$250.

The CHAIRMAN. I think the record is quite clear on that.

Mr. GOERLICH. He felt that I should not let that stand, and I didn't want it to stand in the record in that manner.

TESTIMONY OF JOHN E. BOLMAN—Resumed

Mr. MANUEL. That is a copy of the deposition taken in your case?

Mr. BOLMAN. It is.

Mr. MANUEL. Of Mr. Ossanna?

Mr. BOLMAN. Yes, sir.

Mr. MANUEL. Was Mr. Ossanna one of the auditors of the international?

Mr. BOLMAN. He was represented to be one of the UAW auditors.

Mr. MANUEL. May I have that back, please?

Mr. BOLMAN. Yes, sir.

The CHAIRMAN. Do you want that made an exhibit for reference?

Mr. MANUEL. Yes, sir.

The CHAIRMAN. It is exhibit No. 48 for reference.

(Deposition referred to was marked "Exhibit No. 48" for reference and may be found in the files of the select committee.)

TESTIMONY OF LOWELL M. GOERLICH—Resumed

Mr. MANUEL. Now, Mr. Goerlich, you were there, and you were counsel for Mr. Ossanna, so you probably remember these questions and answers.

Mr. GOERLICH. It was about 10 years ago, wasn't it?

Mr. MANUEL. I will try and refresh your memory.

Question (by Mr. Ells). Do you recall whether any funds were paid into the building extension fund?

Mr. GOERLICH. The same objection, on the ground of materiality and irrelevancy, and the witness may answer only on the order of the notary.

Mr. ELLS. Read it and order him to answer.

NOTARY. I as a notary public order you to answer the question.

Mr. OSSANNA. From the records in the court, we couldn't tell nothing from nothing.

This is your own auditor.

There was no way to distinguish what was what. In other words, there wasn't sufficient records there. That is all.

Do you remember that answer that your client gave?

Mr. GOERLICH. I have no clear recollection of it, but I am sure that your reading from the deposition, and the individual that took the

deposition at that time I think was Mr. Howard Heitz, and he was a most competent reporter.

Mr. MANUEL. Now, Mr. Bolman, was there also an audit performed by Ernst & Ernst.

Mr. BOLMAN. There was a request made to Ernst & Ernst to audit those books.

Mr. MANUEL. Did they attempt to make an audit?

Mr. BOLMAN. They did.

Mr. MANUEL. Is Ernst & Ernst a very large accounting firm?

Mr. BOLMAN. Nationally.

Mr. MANUEL. Nationally known?

Mr. BOLMAN. Yes, sir.

Mr. MANUEL. I will hand you what purports to be a letter dated August 14, 1950, from a member of the firm of Ernst & Ernst, Mr. A. L. Nagel, N-a-g-e-l, a resident partner, to Mr. Smith Ells, your attorney, and ask you if you can identify that.

(The document was handed to the chairman.)

The CHAIRMAN. All right, present it to the witness.

(The document was handed to the witness.)

Mr. MANUEL. Can you identify that as what I said it was?

Mr. BOLMAN. I do. It is a letter dated August 14, 1950, addressed to Smith & Ells.

Mr. MANUEL. May I have it back? I am going to read a very few sentences from it.

In this third paragraph, on the first page:

Moreover, there have been no entries in the net worth account in the general ledger since 1939.

And another conclusion is:

Apparent from the foregoing it is impossible to confirm the source and correctness of the amounts of cash receipts, income, and revenue of the corporation from the data available to us.

Mr. BOLMAN. Mr. Manuel—

Mr. MANUEL. In the final paragraph:

In view of the lack of the required records, data, and information mentioned herein, we cannot make the type of audit or examination prescribed by the instructions contained in your letter, and we have accordingly discontinued our work until such time as additional records, data, and information are made available for our inspection or until your instructions are revised to fit the existing conditions. We therefore await your further instructions in this matter.

Yours very truly,

Now, I believe, Mr. Goerlich, you said nothing has come out here that you had not heard before or was not presented to the international executive board; is that correct?

Mr. GOERLICH. I don't know as to what all was presented to the international executive board, because I didn't sit in those hearings.

Mr. MANUEL. Was there any proof—

Mr. GOERLICH. Don't put words in my mouth. In regard to the other evidence that has been presented here that I have listened to, I would say it is substantially about the same.

Mr. MANUEL. For example—

Mr. GOERLICH. There may be some variance.

Mr. MANUEL. For example, was the international executive board apprised of the fact that Mr. Gosser had been taking one-half of the receipts of the slot machines for his flower fund?

Mr. GOERLICH. I doubt whether that is true, and as a matter of fact, I know it isn't true, but I don't know, and I can't answer that question for you. I did not sit in any of the executive board meetings in which they considered this. The only one I was in, as I recall, I think that I went in for a short time, when they were in Toledo, but a very short time, and I also was at the executive board meeting at which Mr. Bolman appeared with his attorney, Mr. Ells. I cannot remember whether Smith was there or not. You have asked me a question, and let me answer.

Mr. MANUEL. Don't make a speech.

Mr. GOERLICH. I am not making a speech, and you asked me about the executive board, and I want to tell you so you won't ask me questions about things I have no knowledge of. At that meeting I think Mr. Bolman and Mr. Ells were there and, as I recall, Mr. Ells made a statement in defense of Mr. Bolman, as I recall. I don't remember.

Mr. MANUEL. You do not know whether the international executive board was told or had evidence and documents and testimony to the effect that Mr. Gosser had taken approximately, I believe, \$90,000 out of the slot machines for his flower fund? Yes or no, please. That is all you have to do. Do you know?

Was that testimony or evidence given before the board?

Mr. GOERLICH. Again I repeat that I did not participate in hearings before the executive board.

Mr. MANUEL. All right.

Mr. GOERLICH. I want to say this, too, you asked one question, and Mr. Gray had an auditor by the name of Flatfish, whom he employed to keep the Automotive Workers Building records up to date, and that is the reason I was so sure that there was nothing wrong with them, and we could turn them over to the court, because he told me that they had kept good records.

Now, if the records were not properly kept, there was Kalbfleisch, or whatever his name was, and Gray's fault, it seems to me.

Mr. MANUEL. It was Gray's fault, I am sure.

TESTIMONY OF RANDOLPH GRAY—Resumed

Mr. MANUEL. Mr. Gray, while we are on you——

Mr. GOERLICH. Are you through with me now, sir?

Mr. MANUEL. Yes.

Now, Mr. Gray, you heard Mr. Martin testify, and identify certain documents which showed he had been making contributions for the summer camp, from certain employers?

Mr. GRAY. Oh, yes.

Mr. MANUEL. I believe those exhibits and records will reflect this, that those exhibits show that in 1948, \$15,000 was taken up; and in 1949, about \$10,000.

Now, this money, according to Mr. Martin, was taken up for the summer camp, ostensibly, at least. Now, you were financial secretary, were you not?

Mr. GRAY. That is right.

Mr. MANUEL. If this money were for the summer camp, would it not have been given to you?

Mr. GRAY. Well, it should have been.

Mr. MANUEL. And yet he took it to Mr. Gosser, and now I am asking you, did Mr. Gosser ever give you \$15,000 at one time?

Mr. GRAY. Gosser himself never gave me any.

Mr. MANUEL. \$10,000 another time?

Mr. GRAY. He did not.

Mr. MANUEL. Do you know whether he gave you any part of that money?

Mr. GRAY. He, himself, no.

Mr. MANUEL. Did anybody else?

Mr. GRAY. I may have gotten a notation that they had put some in a bank, and what it would be for, I don't know.

Mr. MANUEL. Do you know how much?

Mr. GRAY. Maybe \$1,000.

Mr. MANUEL. Would it be \$15,000?

Mr. GRAY. No; it would be a small amount.

Mr. MANUEL. Would it be \$10,000?

Mr. GRAY. No; I never saw one that high.

Mr. MANUEL. Nothing approximating those amounts?

Mr. GRAY. No, sir.

Mr. MANUEL. Money was not given to you and you did not deposit it and then write checks on it for the summer camp?

Mr. GRAY. They did some depositing upstairs, and did some depositing by a fellow by the name of Rediger later on, and now who that was arranged through, I don't know.

I mean what they should have done, they ought to keep the record straight, brought it directly to the window and got an official receipt for it so it would be audited and accounted for, that would have been the proper thing to do and then there wouldn't be all of this argument.

Mr. MANUEL. Mr. Chairman, I don't believe that this was made an exhibit, this letter which Mr. Bolman identified, and we would like to have that made an exhibit.

The CHAIRMAN. It may be made exhibit No. 49.

(Document referred to was marked "Exhibit No. 49" for reference and may be found in the files of the select committee.)

Senator CURTIS. Mr. Gray, referring to the proceedings of the international executive board concerning these allegations of dissatisfied members, allegation No. 14 says:

In this allegation Billheimer and Duck alleged that the financial secretary of local 12 has testified under oath more than \$300,000 of local 12 and Automotive Workers Building Corp. funds have been spent in the purchase and operation of the summer camp and the farms.

Findings: Deposition hearings participated in by Randolph Gray, former financial secretary of local 12, failed to substantiate these allegations. The audit conducted by the auditors of the international union of the books and records of local 12 and its Automotive Workers Building Corp. failed to substantiate this allegation.

Now I would like to have you look at a photostatic copy of a document bearing date of September 26, 1949, to Richard Gosser from Randolph Gray, and the attachments, for identification.

The CHAIRMAN. Is that exhibit 20 or is it another document?

Senator CURTIS. It is a new one.

The CHAIRMAN. The document handed you contains six sheets of photostatic copies. Will you examine them and state whether you can identify them?

(The document was handed to the witness.)

Mr. GRAY. Yes.

The CHAIRMAN. What is it?

Mr. GRAY. It is a report that was sent up to Mr. Gosser when he requested what we had spent on the camp and on the farm up to that time, September 26, 1949.

The CHAIRMAN. That doesn't have anything to do with the summer camp?

Mr. GRAY. It is the cost we had spent up there in purchasing the property and so forth, but did not include the taxes or insurance premiums and legal fees.

The CHAIRMAN. Up to what date?

Mr. GRAY. Up to September 26, 1949.

The CHAIRMAN. Exhibit 20 covers up to February 3, 1948. This will be made exhibit No. 50.

(Document referred to was marked "Exhibit No. 50" for reference and may be found in the files of the select committee.)

Senator CURTIS. Mr. Gray, is the first page that is in somewhat the form of a letter a summary of the findings?

Mr. GRAY. That is right.

Senator CURTIS. And the subsequent pages are the figures and material upon which the summary is based?

Mr. GRAY. Yes.

Senator CURTIS. This is from you to Mr. Gosser?

Mr. GRAY. Yes, sir.

Senator CURTIS. Will you read the first part of that referring to the expenditures made for that? I think it is about the first three or four lines.

Mr. GRAY. It says:

The following recap figures do not include taxes, insurance, and legal fees. Grand total expense for summer camp, \$231,657.25. Grand total expense for the farm, \$60,453.75. The combined expenses was \$292,111 even.

Senator CURTIS. \$292,000-odd?

Mr. GRAY. That is right.

Senator CURTIS. That was the report you gave Mr. Gosser as of that date?

Mr. GRAY. Oh, yes.

Senator CURTIS. When this allegation was made that \$300,000 had been spent, and they find that there is no evidence to support it, what is the explanation? What are the correct facts? Was that a rounding off of the figures of \$300,000, or is there a variance of time?

Mr. GRAY. If I recall that was the rounding off of figures because when I talked about it, it was a few weeks later which would naturally bring that figure up. These are the found figures.

(At this point Senator Kennedy entered the hearing room.)

Senator CURTIS. Your deposition to which they referred was made at a later time?

Mr. GRAY. I believe it was, if I am not mistaken.

Senator CURTIS. So we find out, Mr. Chairman, the fact that where this allegation was made as to how much union money had been spent on these enterprises, the findings of the executive board just merely said that is not true. They did not go all the way and find an exact amount or that it was so much less than \$300,000.

One of these other allegations, and I refer to allegation 15, again reading from the reports of the international executive board:

It is alleged that unit funds of local 12 have been expended and carried out by Brother Gosser's foolish projects, and that no unit could withdraw its funds as is permitted by the international constitution and bylaws of local 12.

Finding: A recent audit conducted of the finances of local 12 completely proves this allegation to be untrue. As of December 31, 1949, the unit funds of the local 12 amounted to \$55,080.20.

Now, Mr. Gray, the unit funds, I believe you testified, were the various plant units that made up local 12; is that correct?

Mr. GRAY. That is right.

Senator CURTIS. And then were such things as the machine fund carried as another unit?

Mr. GRAY. That is right. The camp and the farm was a unit.

Senator CURTIS. And the camp and the farm is another unit?

Mr. GRAY. Yes.

Senator CURTIS. While these were set up separately in the books that were kept, they were carried in one bank account; is that correct?

Mr. GRAY. That is correct.

Senator CURTIS. Now I hand you a photostat of two pages. The chairman may want to look at it first.

The CHAIRMAN. Hand it to the witness and see if he can identify it. (The document was handed to the witness.)

Mr. GRAY. Yes; I can identify it.

Senator CURTIS. What is it?

Mr. GRAY. It is a sheet that shows the amounts that is in the various funds within the various named units.

Senator CURTIS. As of what date?

Mr. GRAY. As of December 31, 1949, and the income of January and expense of January, and the balance as of January 31, 1950.

Senator CURTIS. The balance of the last day of 1950?

Mr. GRAY. Yes.

Senator CURTIS. How was that made up? What was the source of the figures that make up that sheet? Where did you get them?

Mr. GRAY. The international auditors, between Mr. Yaeger and Mr. Ossanna—they had a couple of other fellows—these two fellows, Ossanna and Yaeger, seemed to be the lead fellows, so Yaeger had these figures down on his worksheets, and he asked us to type them up for him. That is how these figures were arrived at, through the auditors themselves.

Senator CURTIS. Did Mr. Mazey have any part in it?

Mr. GRAY. Later he did; but not at the time this was made up.

Senator CURTIS. This was made up from figures of the worksheets of the international auditors?

Mr. GRAY. That is right, Mr. Yaeger's.

Senator CURTIS. If you will look at this, the fund unit is Acklin. What is that? Is that a plant?

Mr. GRAY. That is an Acklin plant.

Senator CURTIS. And Acme?

Mr. GRAY. That is another plant. Acme Specialty. They make meters.

Senator CURTIS. Now we come down to an Avco plant, showing a balance of \$13.01, and then a line is drawn around that. It is sort or circled. What does that line indicate?

Mr. GRAY. It indicated that particular unit was in the red.

Senator CURTIS. So the \$13.01 was not a balance; but it was the amount in the red?

Mr. GRAY. That is right.

Senator CURTIS. Now, on page 2, near the bottom of the page, the machine account. By the way, what was the machine account?

Mr. GRAY. That is the machine account that some of the slot-machine money went into. Then they paid checks out of that.

Senator CURTIS. Opposite that, and I am referring to December 31, 1949, balance, there is \$367.73, and that again is circled. What does that circle mean?

Mr. GRAY. That means it was a red figure.

Senator CURTIS. The following item was a check charge, \$909.82. That again is circled.

Mr. GRAY. That would be a red figure.

Senator CURTIS. Then the summer camp, \$36,595.24, again circled. Does that show that they had a balance of that much?

Mr. GRAY. It shows they were in the red that amount of money.

Senator CURTIS. And the farm, \$49,363.58, and again that is circled.

Mr. GRAY. That is right; it is in the red.

Senator CURTIS. The total of these unit funds is shown \$7,224.16, and again that has a circle around it. What does that mean?

Mr. GRAY. That represents that the fund is in the red that amount of money.

Senator CURTIS. In other words, this report prepared by you from the working papers of the international auditors shows that on the last day of December 1949, the unit funds had a deficit of \$7,224.16?

Mr. GRAY. That is correct.

Senator CURTIS. Who did you give this to?

Mr. GRAY. This here was typed up by the girls in my office, and the copies were given back to Mr. Ossanna.

Senator CURTIS. Would Mr. Gosser receive a copy?

Mr. GRAY. I believe he received a copy later in book form. I don't know about the individual sheet of this type. They made a book afterwards on this stuff.

Senator CURTIS. Was the accuracy of this ever questioned?

Mr. GRAY. They had a meeting in Detroit with Mr. Mazey. I believe Yaeger was there. I am not sure about Ossanna. But Mazey and I were together with Mr. Gosser. They went over this report they made up in a booklet form. They had a blue cover. Mr. Gosser objected to the way the audit was made, because he said if his political opposition ever seen this, he would be out of business.

Senator CURTIS. Do you mean that if they saw there was a deficit in the unit account?

Mr. GRAY. Yes.

Senator CURTIS. My question was, Mr. Gray, did anyone at that time, and immediately following that, challenge the accuracy of this summary that you prepared? I am not asking you whether they liked it or whether they thought their opposition would like it, but did anyone say, "No, this is not correct"?

Mr. GRAY. Nobody said the report was not true.

Senator CURTIS. That is what I mean.

Mr. GRAY. The report was true. They admit that.

Senator CURTIS. What did Mr. Mazey say when Mr. Gosser complained?

Mr. GRAY. He said that was the audit, but if it was going to cause a lot of dissension they would try to make some corrections.

Senator CURTIS. Mazey said that he was going to cause a lot of criticism?

Mr. GRAY. He said if that is what it was going to cause. Mazey himself evidently didn't know. He took the word of Gosser because Gosser was there.

Senator CURTIS. He said if that was true it would cause a lot of criticism?

Mr. GRAY. Yes; that he would make arrangements to have it corrected.

Senator CURTIS. Was that financial report to be published in the paper?

Mr. GRAY. Originally, yes. I mean the one that I have here.

Senator CURTIS. Yes.

Mr. GRAY. It was to be, yes.

Senator CURTIS. Was a report purporting to be this report published in the paper?

Mr. GRAY. There was an audit report published at a later date.

Senator CURTIS. What paper was it published in?

Mr. GRAY. It was published in the Union Journal, which is operated by the local union.

Senator CURTIS. The Toledo Union Journal?

Mr. GRAY. That is right.

Senator CURTIS. I will hand you what appears to be a photostat—

The CHAIRMAN. Has this been made an exhibit?

Senator CURTIS. Yes, that one has. We made the photostat an exhibit. I just handed you that.

(The document was handed to the chairman.)

The CHAIRMAN. All right, present it to the witness.

(The document was handed to the witness.)

The CHAIRMAN. Will you identify the document handed to you?

Mr. GRAY. Yes.

The CHAIRMAN. What is it?

Mr. GRAY. It is the copy of the audit report published in the Union Journal.

The CHAIRMAN. It may be made exhibit No. 51.

(Document referred to was marked "Exhibit No. 51" for reference, and may be found in the files of the select committee.)

Senator CURTIS. Now, Mr. Gray, this photostat that you have before you appears to be the Toledo Union Journal, page 5, for Friday, June 16, 1950. By the way, it purports to be a financial statement signed by the international auditors, Henry A. Abrams, Richard Johnson, Joseph S. Ossanna, and Charles Yaeger. You knew them to be the international auditors?

Mr. GRAY. I knew Yaeger and Ossanna very well, but I was not acquainted with the other two.

Senator CURTIS. That is the ones who worked on this.

Mr. GRAY. That is right.

The CHAIRMAN. The last document which has been handed to you which you identified which the Chair made exhibit No. 51, should be exhibit No. 52. Senator Curtis had not made it but it ought to be made exhibit No. 51, the previous document showing these balances.

Senator CURTIS. Thank you, Mr. Chairman. I am sorry for that error.

(Document referred to was marked "Exhibit No. 51" for reference, and previous exhibit 51 changed to No. 52, and may be found in the files of the select committee.)

The CHAIRMAN. I just wanted to straighten the record.

Senator CURTIS. Now, if you will look at this report that was published in the paper, the right-hand column purports to show unit balances as of December 31, 1949. This is the same date that this summary that you previously testified about was brought up to, was it not?

Mr. GRAY. Yes.

(At this point Senator Kennedy withdrew from the hearing room.)

Senator CURTIS. That lists unit funds and down at the bottom it says total unit funds, \$55,080.20. Do you see that?

Mr. GRAY. Yes, I do.

Senator CURTIS. How do you account for the fact that the sheet you prepared showed \$7,200 in the red as of December 31, 1959, and the published one shows \$55,080.20 in the black?

Mr. GRAY. Senator, I am not quite getting your question. I didn't prepare any of the figures. The figures were prepared by the auditors.

Senator CURTIS. You prepared the first summary.

Mr. GRAY. What I am getting at, I typed up what they gave me and that was their figures.

Senator CURTIS. I see. I will refer to it as the one you typed up showed a deficit of some \$7,200.

Mr. GRAY. That is correct.

Senator CURTIS. The one that was published shows a balance of some \$55,000.

Mr. GRAY. Yes.

Senator CURTIS. What items were left out in the published report that were in the report that you typed up?

Mr. GRAY. I think you would have to give me a copy to refer to. I think Avco was taken out.

Senator CURTIS. Wait just a minute. We will get you a copy because I want you to be accurate.

Mr. GRAY. The Avco account was left out.

Senator CURTIS. Which one is the first one?

Mr. GRAY. Avco.

Senator CURTIS. And that is one that showed in the red?

Mr. GRAY. It was in a red figure. It seems Brown's Trailer is taken out. Unless I am mistaken, there is an account of Commercial Metals taken out; \$136.87. I don't see it on the last sheet you gave me.

Senator CURTIS. I will direct your attention particularly to the last items, these big items of farm and summer camp and machine account and check charge, where there was an overdraft in those units. Were they shown at all in the account that was published in the journal for the benefit of the members?

Mr. GRAY. The machine account is not listed that I can see here. The check charge and the summer camp is not listed, and neither is the farm.

Senator CURTIS. In other words, the discrepancy between the two accounts, one is that it shows all the units whether they had a balance or a deficit.

Mr. GRAY. Yes, sir.

Senator CURTIS. If you take into account the deficits, the unit account is some \$72,000 short. I mean \$7,200 short.

Mr. GRAY. As of that date; yes.

Senator CURTIS. But if you eliminate those items it gives a plus figure of \$55,000.

Mr. GRAY. Yes, I would say that.

Senator CURTIS. Who was it that discussed this before it went into the journal?

Mr. GRAY. There was discussion—of course, the last meeting I attended was in Detroit on the audit and shortly after that this strike occurred, I had no more part of that.

Senator CURTIS. Who discussed that? That is what I want to know.

Mr. GRAY. It was Mr. Mazey, Yaeger, Mr. Gosser, and I am pretty sure Dan Cassidy, who happens to be in charge of the audit department in Detroit.

Senator CURTIS. Did Mr. Gosser maintain a control over what was published in the journal?

Mr. GRAY. Yes.

Mr. KENNEDY. What is the date of this? What are the dates of these reports?

Senator CURTIS. They pertain to a balance on December 31, 1949.

Mr. KENNEDY. When was your report written?

Mr. GRAY. It is the same thing, and I didn't make out the report. This is the audit report.

Mr. KENNEDY. When did you type up your figures?

Mr. GRAY. I never made a report. I typed up what the auditors gave me, and I myself didn't make an audit.

Mr. KENNEDY. When did you type up your figures?

Mr. GRAY. Just prior or during the audit, I forgot the exact date, because they had plenty of time to make a booklet on it, and I remember that. We had a meeting in Detroit, and there was a week or two that elapsed.

Mr. KENNEDY. This was a report finally put out?

Mr. GRAY. The one I read in the paper, that seemed to be the final results, after this meeting. I had the girls type up what Mr. Yeager gave me off the worksheet, because he didn't operate a typewriter, that is the only part I played in it.

Mr. KENNEDY. The auditors put this together, and put it out?

Mr. GRAY. They got this up; yes.

Senator CURTIS. All right. Now, Mr. Gray, I want to hurry on to one more point.

Allegation No. 20(i) made by these dissatisfied members says:

It is alleged that Brother Gosser serving as vice president, issued orders that nothing be printed in the Toledo Journal without his approval.

Findings: This allegation is not substantiated by supporting evidence. Brother Gosser told the executive board that as a member of the union and officer of the union he recommended to the officers of local 12 that they not accept congratulatory ads or other ads from firms that were unfriendly to our union.

Now I want to hand you a document to see if you can identify it.
(The document was handed to the witness.)

Mr. KENNEDY. Do we know which report was accurate, the report that finally appeared in the Journal or the report that Mr. Gray made up in 1949 or the figures he copied?

Senator CURTIS. Which was accurate?

Mr. GRAY. I would say the one that the auditors first made up was the most accurate report, because that is what the records called for, from the books of the local union.

Senator CURTIS. And it shows all of the units, and you know as financial secretary that all of those different operations were carried as separate units?

Mr. GRAY. Yes.

Senator CURTIS. And they were in one bank account?

Mr. GRAY. Yes.

Mr. KENNEDY. Did the auditors then review those records that you made up and then review the rest of the records and come out with this report? Do we have anything to show that this report is not accurate?

Senator CURTIS. Yes, it shows—

Mr. KENNEDY. Is there anything that shows that this report is not accurate?

Senator CURTIS. The report itself shows that they omitted those units.

Mr. KENNEDY. Maybe they are put in other reports.

Senator CURTIS. It is put out as the unit balances as of December 31, 1949.

Mr. KENNEDY. There might have been another report that was put out encompassing these other units.

Mr. GRAY. Perhaps I can help the Senator on this.

This was our books called for, due to the fact of the political discussion, they did rearrange the figures, but they couldn't change the original figures of the checks being issued, and so forth, in the statements and records in the union hall, and they couldn't do that, because checks had been issued in accordance with this.

Mr. KENNEDY. Then, that report is accurate, then?

Mr. GRAY. I would say based on what the auditors gave me, and I think that they did a good job, from the figures that they gave me.

Mr. KENNEDY. The report that ultimately came out, if it encompasses those figures, is accurate?

Mr. GRAY. They changed it all around.

Mr. KENNEDY. How did they change it?

Mr. GRAY. Well, they have changed it to the point where it looks better than what it actually was.

The figures have been rearranged.

Mr. KENNEDY. It is accurate, but they have been rearranged?

Mr. GRAY. On that point, it doesn't show in here to the membership that they were actually spending money out of their unit fund. They would have the membership believe, and this was a separate account that they were paying these bills out of, for the camp and the farm, and other things here, and the checks were accurately issued, and they are on record, and you can get a photostat of them, showing they did come out of the union account at that time.

(At this point Senator McClellan withdrew from the hearing room.)

Mr. KENNEDY. Well, then, as I understand it, it is accurate, but you feel that it doesn't have sufficient information to know what the situation is.

Mr. GRAY. Well, I don't know about the figures at all, and I never saw this, and I wasn't with them. This came out after I had left the union, when they were on strike.

Mr. KENNEDY. I thought the impression might go out that the report, or there might be some information that the report is not accurate.

Mr. GRAY. It is not accurate of what is reflected on the books as of December 31, 1949, regarding the accounts and balances; that would be a true statement.

Mr. KENNEDY. How do you know? Do you know what the books showed as of December 31, 1949?

Mr. GRAY. It shows that we had an account and we were paying this money out of this unit pool.

Mr. KENNEDY. Were you there on December 31, 1949?

Mr. GRAY. I wasn't in the local, but I remember signing checks, and the books were there.

Mr. KENNEDY. Were you there in December of 1949?

Mr. GRAY. I might have been on leave.

Mr. KENNEDY. Didn't you have your crackup then?

Mr. GRAY. Wait a minute. When this audit was up, I was back to work. Don't forget now, December 31, this wasn't made up overnight, and it was made up a month or so later, a couple of months later, and I was back on the job at the time.

Mr. KENNEDY. It was during this period of time, at least December of 1949, that you had your difficulties, is it not, that you had your crackup?

Mr. GRAY. I didn't have any crackup, and I don't know where you get that.

Mr. KENNEDY. You used it; I didn't.

Mr. GRAY. I may have termed it that, and you wouldn't want to be pulling something on me, and I don't care what you call it.

Mr. KENNEDY. OK.

Senator CURTIS. Now, Mr. Gray, the point you are making is that when you tabulated the figures the auditors gave you, it showed a deficit of \$7,200; is that right?

Mr. GRAY. That is correct.

Senator CURTIS. And under the heading of union balances, when published in the paper to the members of the union, balances showed \$5,500 in the black?

Mr. GRAY. That is correct.

Senator CURTIS. Now, I want to go on to another allegation.

I think that I read it, but it is just one sentence and I want to get the train of thought:

It is alleged that Brother Gosser, serving as vice president, issued orders that nothing be printed in the Toledo Union Journal without his approval.

Findings: This allegation is not substantiated by supporting evidence. Brother Gosser told the executive board that as a member of the union and officer of the union, he recommended to the officers of local 12 that they not accept congratulatory ads or other ads from firms that were unfriendly to our union.

That is the end of the quotation.

Now, I have handed you the photostat of a letter bearing February 18, 1946. Look at that, and see if you know what it is.

Mr. GRAY. Yes, a letter from Mr. Gosser to the managing editor of the Toledo Journal, a local 12 employee.

Senator CURTIS. And signed by whom?

Mr. GRAY. Mr. Gosser, who was director at that time.

Senator CURTIS. May we have this made as an exhibit?

Senator KENNEDY. It will be received.

(Letter referred to was marked "Exhibit No. 53" for reference, and may be found in the files of the select committee.)

Senator CURTIS. Now, read this letter of Mr. Gosser, the second paragraph only.

Mr. GRAY. The second paragraph:

From this day on, anyone that puts anything in the Journal must have my signature of approval on the item before you can run it. I will not accept any answer, excuse, or reason otherwise. I positively do not want you people to persist in politics or in these insinuations of the city government unless I approve same.

Senator CURTIS. Now, Mr. Gray, mention has been made here of an earlier inquiry into this matter by members of this committee staff, which I believe would be in 1958; is that correct?

Were you contacted by members of this staff of this committee in 1958?

Mr. GRAY. Yes.

Senator CURTIS. Through whom did you get your notice or information that the staff members of this committee wanted to talk to you?

Mr. GRAY. I was called on the public address system I was wanted in the office on the phone, for a phone call.

Senator CURTIS. Who was the phone call from?

Mr. GRAY. I didn't know at the time, and I was going to bring it up to that date.

Senator CURTIS. You didn't know who talked to you?

Mr. GRAY. They hung the phone up and they took a number, and I was called on the address system to come to the office for a phone call and to call back.

So I was given this number by Mr. Gene Roberts, who said it was a very important call, according to Mr. Ray Millinni, who was the industrial relations man for the Spicer Division of the Dana Equipment, and not the one I worked in. I called this number and a lady answered the phone and said that "This was the international union headquarters," and I said, "There must be some mistake," because ordinarily I don't do business with them any more since this argument.

They said, "Who are you?"

And I told her my name, and I said there still must be some mistake, and she said, "No, Mr. Gosser wants to talk to you."

So I said, "Well, okay, that is all right."

So he got on the phone, and he said, "Hi. There are a couple of mean investigators from Washington want to talk to you," and he turned them over to me, and he made an appointment. I forget which one of the Pauls it was, and he talked to me and they wanted to know if I could talk to them.

Senator CURTIS. What I wanted to know is, you got your information that someone from this committee wanted to talk to you, from Richard Gosser?

Mr. GRAY. Yes, sir, I did. And they know it. The committee members know that.

Senator CURTIS. I am not interested in criticizing them or anything else.

Mr. GRAY. I meant to say the two investigators, and not committee members, knew that I got my information from Mr. Gosser.

Senator CURTIS. Now, I merely am interested in this as to the point of where you got your first information. Where were you working this day?

Mr. GRAY. I was working in the division of the Dana Equipment Corp., over on Wagner Boulevard.

Senator CURTIS. That is where you are regularly employed?

Mr. GRAY. That is right.

Senator CURTIS. And you got word through the public address system you were wanted in the office?

Mr. GRAY. That is right.

Senator CURTIS. When you got there, you were told that you should call that number?

Mr. GRAY. Yes, sir.

Senator CURTIS. And ultimately after you went through the lady that answered the phone, you were informed that Mr. Gosser wanted to talk to you?

Mr. GRAY. That is correct.

Senator CURTIS. What did Mr. Gosser say?

Mr. GRAY. He just said, "Hi, there are two Federal investigators here that want to talk to you," and he put them on the phone, and we went on the phone, and I talked to them.

Senator CURTIS. Now, Mr. Bolman, you have been here for these hearings, and you have heard the testimony, particularly I believe from Cyrus Martin about the voting of union members that work at the Willys-Overland plant, how they were given transportation down to the place where union elections were held, and on company time.

Did you ever make a complaint or make an inquiry concerning this of any of the management of Willys-Overland?

TESTIMONY OF JOHN E. BOLMAN—Resumed

Mr. BOLMAN. I did.

Senator CURTIS. About when was this?

Mr. BOLMAN. I would say it was shortly prior to the local 12 elections in 1950.

Senator CURTIS. What was your purpose—or first, where were you working at the time?

Mr. BOLMAN. At that time I was not working.

Senator CURTIS. What plant had you been working in?

Mr. BOLMAN. Mr. Spicer.

Senator CURTIS. And Spicer is one unit of local 12, and Willys-Overland is another one?

Mr. BOLMAN. Yes.

Senator CURTIS. You had made the contention that the Willys-Overland votes had been the deciding factor in past elections; is that right?

Mr. BOLMAN. Yes, sir.

Senator CURTIS. So you made a complaint to management about this practice that according to your contention was not carried on in any other plant; is that right?

Mr. BOLMAN. That is right.

Senator CURTIS. Where did you go to make this complaint?

Mr. BOLMAN. I went to the office of the president, Mr. Rausch.

Senator CURTIS. Who was with you?

Mr. BOLMAN. Mr. Davidow.

Senator CURTIS. Mr. Gray's attorney, sitting here?

Mr. BOLMAN. Sitting at the end of the table.

Senator CURTIS. Now, what did you say to this Willys-Overland official, and what did he say to you?

Mr. BOLMAN. I pointed out to Mr. Rouch that the management of that plant could be charged with unfair labor practice under section 8 of the National Labor Relations Act, at that particular time, the Labor Management Relations Act of 1947, wherein under paragraph 2:

It shall be an unfair labor practice for an employer to dominate or interfere with the formation or administration of any labor organization or contribute financial or other support to it.

With respect to the fact that the management would be permitting employees to go to local 12 for voting purposes on time that was paid for by that company and later on, I observed this practice take place at the time of the local 12 elections.

Senator KENNEDY. Are you saying that is an unfair labor practice?

Mr. BOLMAN. It would be my judgment that it would be.

Senator KENNEDY. As I say, yesterday there was a story where the Board had been asked about this, and made a judgment that providing that there was not evidence offered that this would permit one group to vote and not another, that the mere fact that they voted at the time that they were working for the company was not an unfair labor practice.

Mr. BOLMAN. I say it would be my judgment.

Senator CURTIS. What did management say to you?

Mr. BOLMAN. They didn't say much, they just accepted the report, and that is about all.

Senator CURTIS. Mr. Davidow, have you been sworn?

Mr. DAVIDOW. Not yet.

Senator CURTIS. Senator Kennedy, would you swear him?

Senator KENNEDY. Do you swear to tell the truth, the whole truth, and nothing but the truth, so help you God?

Mr. DAVIDOW. I do.

Mr. KENNEDY. Have you finished with Mr. Gray, Senator?

Senator CURTIS. They were all sworn together.

Mr. KENNEDY. I was just wondering on the rest of it, when the investigator went to see Mr. Gray, we should find out, also, as I un-

derstood, he told Mr. Manuel that he was beaten up by Mr. Gosser's people, or Mr. Gosser's people attacked his car.

Mr. MANUEL. He told me.

Mr. KENNEDY. We can ask him about it, and that is what I thought we should develop if that happened.

Senator CURTIS. I have no objection to anything you want to ask. I do not know that there is anything pertinent about that.

Senator KENNEDY. Did someone attack you on the way home that night?

TESTIMONY OF RANDOLPH GRAY—Resumed

Mr. GRAY. That is what I termed it. I don't know who, because of all of the nights that I had been going home on that particular street, no one has bothered me.

Senator KENNEDY. What did they do to you?

Mr. GRAY. They didn't do anything to me as an individual. The only thing that happened, when I stopped for the light on Monroe and Detroit, and going south, I had to wait for the light, and across the street on the opposite side, by the bank there, there were a couple of fellows standing on the corner by the curb, and as I proceeded to go across, they decided to step right out in the street, and forced me to stop.

The result was they jumped to the side after I had stopped and started to kick the side of my car in with their feet, and, of course, all I did was jump out of the car and went into the first tavern there and called the police department.

Of course, the time they got there, these two fellows had gone.

Senator KENNEDY. The thing is that Mr. Manuel stated that, and we sent a wire to Anthony A. Bosch, chief of police, of Toledo, and he sent one back. We called him and asked him if there was any record of any call to the police on that occasion, and he said there was no record of complaint by Randolph Gray on or about March 18, 1958. Signed, Anthony A. Bosch, chief of police.

Mr. GRAY. I am glad we raised that. I was told about wanting that record, so I didn't have any dates, and I didn't remember the incident and I had more or less passed it over, and so I went to Captain Pollock of the Toledo Police department to look up the record if there was a dispatch, and they had me on a number of accidents, but I went to the office and he told me that under the report he should have a sheet out there saying where they made any runs.

So he told me to come back later, if I had more specific dates.

As a result I went to the public library, and I got the date when Tierney had an article in the paper about having a meeting with Mr. Gosser there. I think the date was March 18, 1958.

So I went back to the police and fire alarm building, and Mr. Pollock had gone home for the day, and this was about 11 in the morning, somewhere around there, and I don't know what his working hours are. So I checked up to find out if I could get the information that day, and so I found out that Captain MacGregory was on duty that night, either him or Captain Moss, and Captain MacGregory was on duty, and I had given him that day.

Of course, he called upstairs, and of course right away my name was mentioned and then it went back and forth, quite a bit because people know me around Toledo, and he had it checked and he said

there was no record of it, and so he couldn't understand as to why the police department, it happened to be his shift, didn't make a report when they showed up.

He took me down the street to shop, and tried to identify two people at that time, patrolmen, they were in uniform, and he said that was strange.

So the result was I don't understand how the police department runs, but the fellow by the name of McCorsky who was a patrolman for that area was called from his home to come down and identify me, if I was the man at that corner.

The only thing he said, he don't remember me, and of course I didn't identify him because he was a smaller man, and he answered the call.

In the meantime, just prior to this, the police car pulled up in front of the street about half a block away, a single fellow, and I don't know whether he is an officer or sergeant or something, and he didn't actually call. There were two guys who came from the East Side and they came in from south end of Detroit Avenue, and there were two pretty good sized men and they said inasmuch as there wasn't any damage, why they were just going to forget it, and on McCorsky's report he said, "The only thing I remember is there was a traffic jam," which it did, because I was stopped right in the street, and I was there for quite a while.

Senator KENNEDY. You state there is a police record of it?

Mr. GRAY. I understand that there is no record of it on there according to Captain MacGregory, which he now doesn't understand why there wasn't a report made with my name and address put down, and he said that is very unusual, and he doesn't understand it inasmuch as it was his shift.

Mr. KENNEDY. Was there a policeman on the corner at the time?

Mr. GRAY. No. There was one who pulled up about a half a block away, coming out Monroe Street in another car, on some other call. He didn't participate in this whatsoever, and he was all by himself.

Senator CURTIS. Now, Mr. Davidow—

Mr. GRAY. I did call the FBI, to see who these two guys were, and they informed me that they would have credentials.

TESTIMONY OF LARRY S. DAVIDOW

Senator CURTIS. Now, Mr. Davidow, you heard Mr. Bolman testify about making the complaint to management of Willys-Overland concerning the manner in which union members working at the Willys-Overland unit were voting on company time, and ferried down in cars, and that was different from the other units.

Do you remember that incident?

Mr. DAVIDOW. I do.

(At this point members present were Senators McClellan, Mundt, Kennedy, and Curtis.)

Senator CURTIS. You tell us what happened, briefly.

Mr. DAVIDOW. I made the arrangement to meet Mr. Rausch in his office after Mr. Bolman had reported to me what had been the practice at Willys-Overland. We met Mr. Rausch at his office according to appointment, at which time Mr. Bolman told Mr. Rausch what had been taking place. I at that time expressed my opinion that those

practices were a violation of what is now called the Labor-Management Act. Mr. Rausch promised to make an investigation and get in touch with me. I never heard from Mr. Rausch.

Senator CURTIS. Mr. Chairman, there may be something more from these witnesses, but knowing that we are running against the time limit, if they could vacate, and I would like to call Mr. Billheimer. Excuse me. One thing.

Mr. Bolman, you are still in business in the Toledo area?

Mr. BOLMAN. Yes, sir.

Senator CURTIS. You are still acquainted with members of local 12?

Mr. BOLMAN. The members—

Senator CURTIS. Some members.

Mr. BOLMAN. Yes, sir.

Senator CURTIS. Some members that work at Willys-Overland?

Mr. BOLMAN. Yes, sir.

Senator CURTIS. Does this practice of voting union members from Overland continue up to the present time or near the present?

Mr. BOLMAN. I am so informed.

Senator CURTIS. If you men will stand aside, we may have some things to pursue further, but I want not to have any witnesses not get this material in. We will call Mr. Billheimer.

The CHAIRMAN. You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BILLHEIMER. I do.

Senator CURTIS. Mr. Manuel will proceed.

TESTIMONY OF HAROLD BILLHEIMER

The CHAIRMAN. State your name, place of residence.

Mr. BILLHEIMER. My name is Harold Billheimer. I reside at 59 Capistrano, Toledo, Ohio. I am an employee of the Toledo Scale Co. of that city.

The CHAIRMAN. You waive counsel, do you?

Mr. BILLHEIMER. Yes, sir.

The CHAIRMAN. Proceed.

Mr. MANUEL. Where do you presently work?

Mr. BILLHEIMER. Toledo Scale.

Mr. MANUEL. How long do you work there?

Mr. BILLHEIMER. I would say about 36 years.

Mr. MANUEL. Are you an officer of local 12 at this time?

Mr. BILLHEIMER. No, sir.

Mr. MANUEL. Did you at one time hold an office at local 12?

Mr. BILLHEIMER. At one time I was a board member of local 12.

Mr. MANUEL. You worked at what corporation, what unit?

Mr. BILLHEIMER. Toledo Scale Corp.

Mr. MANUEL. What was the position you held at one time?

Mr. BILLHEIMER. While we were a member or a unit of local 12, I was a board member of local 12.

Mr. MANUEL. A board member?

Mr. BILLHEIMER. A board member.

Mr. MANUEL. You have heard some conversation, I am sure, identifying a certain exhibit referred to as 28 charges filed by Mr. Billheimer and Mr. Eddie Duck?

Mr. BILLHEIMER. Yes, sir; I have.

Mr. MANUEL. Are you that Mr. Billheimer?

Mr. BILLHEIMER. I am.

Mr. MANUEL. I will hand you what purports to be a copy of those charges and ask you to identify it.

(The document was handed to the witness.)

Mr. BILLHEIMER. I do.

Mr. MANUEL. Is that a copy of the 28 charges you filed?

Mr. BILLHEIMER. That is.

Mr. MANUEL. What was the name of the organization of which you were an officer? The group represented by you and Duck which filed this series of charges?

Mr. BILLHEIMER. What was the—

Mr. MANUEL. Was it the Committee for Democratic Unionism?

Mr. BILLHEIMER. That was the term we gave it; yes, sir.

Mr. MANUEL. Who is Mr. Eddie Duck?

Mr. BILLHEIMER. Eddie Duck was a former international representative of the UAW and a former employee of Auto-Lite Co.

Mr. MANUEL. Is he now unfortunately deceased?

Mr. BILLHEIMER. He is deceased.

Mr. MANUEL. Do you recall when he died?

Mr. BILLHEIMER. I can't recall the exact date, but it has been about a year ago.

Mr. MANUEL. Back in 1950 did he hold any position in the union or was he a member?

Mr. BILLHEIMER. In 1950 I don't believe—at the time this happened I don't believe he did. I believe he just resigned as an international representative.

Mr. MANUEL. He had been an international representative?

Mr. BILLHEIMER. Yes.

Mr. MANUEL. You heard some talk about kickbacks or contributions to the flower fund. Do you know whether Mr. Duck contributed to that flower fund?

Mr. BILLHEIMER. Yes, sir.

Mr. MANUEL. Do you know how much?

Mr. BILLHEIMER. He told me at several times with his fines and everything it amounted to sometimes in the neighborhood of \$25 or \$30. I could not say exactly. All I have is what he told me, and my memory is not too accurate on the amounts. I know that he paid the same amount all the international officers did, \$10 a week, and he used to pay quite a few fines.

Mr. MANUEL. At the time you filed these charges, were you employed by the committee to save the Toledo payrolls?

Mr. BILLHEIMER. No, sir.

Mr. MANUEL. Were you employed by the Toledo Blade, Mr. Paul Block?

Mr. BILLHEIMER. No, sir.

Mr. MANUEL. Did you receive any money from either one of those gentlemen?

Mr. BILLHEIMER. No, sir.

Mr. MANUEL. Or either of those groups?

Mr. BILLHEIMER. No, sir.

Mr. MANUEL. What led you to file these charges? They are very serious charges.

Mr. BILLHEIMER. How is that, sir?

Mr. MANUEL. What led you and your group to prefer those charges? The CHAIRMAN. Do you want this made an exhibit?

Mr. MANUEL. Yes, sir. I thought it had been.

The CHAIRMAN. It may be made exhibit No. 54.

(The document referred to was marked "Exhibit No. 54" for reference and may be found in the files of the select committee.)

Mr. BILLHEIMER. The things that led us to file these charges I think are self explanatory. We wanted to get his hands out of the till of local 12.

Mr. MANUEL. Who?

Mr. BILLHEIMER. Mr. Gosser.

Mr. MANUEL. You had reason to believe he had his hands in the till?

Mr. BILLHEIMER. Yes.

Mr. MANUEL. Would you tell some of those reasons?

Mr. BILLHEIMER. Colonial Hardware. The kickback from the slot machines. The practice he had of taking international offices and/or local officers, switching them to the international payroll and making them kick back the difference in salary.

Mr. MANUEL. Do you have any one in mind for that?

Mr. BILLHEIMER. I know the fellow that complained bitterly to me about the time after time was Harold Dean.

Mr. MANUEL. Harold Dean. Was he the gentleman that came rushing in here with an affidavit the other day?

Mr. BILLHEIMER. He is the gentleman they brought in an affidavit from, purportedly from.

Mr. MANUEL. He did complain to you bitterly, though?

Mr. BILLHEIMER. Any number of times.

Senator KENNEDY. You used the word "kickbacks." When you talk about the slot machines, do you have some information that is different or in addition to that Mr. Gosser got his money personally?

Mr. BILLHEIMER. Do I have any information? No, only what I have written here, and what I believe to be true.

Senator KENNEDY. Do you have any information? I don't know what you believe. I am asking you whether you have any information that would indicate that he got the money personally.

Mr. BILLHEIMER. I have no information personally.

Senator KENNEDY. The difference in the salaries, the kickback which you call it, did he get that personally?

Mr. BILLHEIMER. It was paid into his office.

Senator KENNEDY. Did he get it personally?

Mr. BILLHEIMER. His secretary took it. I don't know who got it.

Senator KENNEDY. You say that this is purportedly an affidavit from this fellow that came in the other day. What do you mean, purportedly?

Mr. BILLHEIMER. I only heard what was said at the time that there was an affidavit produced by Mr. Rauh, I believe, that he said was signed by Harold Dean.

Senator KENNEDY. Do you have any information that it was not signed?

Mr. BILLHEIMER. No.

Senator KENNEDY. You are an interesting witness, you use all these words which have a definite meaning, purportedly, kickbacks, hand in the till, but you don't have any information except your private opinion.

Mr. BILLHEIMER. I don't. I think there has been information brought out all afternoon.

Senator KENNEDY. I wonder if you have any information that would add to kickbacks, hands in the till, and all the rest.

Mr. BILLHEIMER. I am stating an opinion.

Senator KENNEDY. Who prepared your charges?

Mr. BILLHEIMER. These charges were prepared in the office of Harold Ells.

Senator KENNEDY. What was his function? Who was working?

Mr. BILLHEIMER. He was at the time John Bolman's attorney in the suits.

Senator KENNEDY. Was he working for the Blade?

Mr. BILLHEIMER. I have heard that he was.

Senator KENNEDY. You know purportedly he was.

Mr. BILLHEIMER. Purportedly he was.

Senator KENNEDY. The Blade's attorney prepared the charges?

Mr. BILLHEIMER. He did what?

Senator KENNEDY. The Blade's attorney prepared the charges. You know he was working for the Blade.

Mr. BILLHEIMER. He prepared the charges as we gave him the material that we wanted to support. He merely put it in the words. He merely put in some legal terminology.

Senator KENNEDY. Was he paid by you?

Mr. BILLHEIMER. No.

Senator KENNEDY. Why should he do that for you?

Mr. BILLHEIMER. I suppose as a friendly gesture. I don't know why else.

Senator KENNEDY. Why would he do it as a friendly gesture? The reason he did it was he was working for the Blade which was paying him, and the Blade was interested in the committee to save the Toledo payroll.

Mr. BILLHEIMER. I don't know.

Senator KENNEDY. Were you personally acquainted with him?

Mr. BILLHEIMER. No.

Mr. KENNEDY. Why would he do it as a friendly gesture?

Mr. BILLHEIMER. I think you ought to ask him.

Senator KENNEDY. I think the answer is obvious.

Mr. MANUEL. As a matter of fact, Mr. Ells is still attorney for the Toledo Blade?

Mr. BILLHEIMER. I believe so.

Mr. MANUEL. How many were in your group? Were you by yourself with Mr. Duck?

Mr. BILLHEIMER. No. At the time this thing started, there was Champion Spark Plug; there was the committee for DeVilbiss; there was Melaset; there were a number of units that had in fact solicited my support in this thing before I had ever entered into it any more than just to discuss with Gray how we could get the financial deals in local 12 straightened out and get him out of our finances there.

Senator MUNDT. Before we leave the topic following what Senator Kennedy said, and I am interested, too, in learning what happened

to this money that you have variously referred to as a kickback or part of the excess salary. You keep saying it was paid into Mr. Gosser's office. In response to Mr. Kennedy, when he said, "Do you know whether it went to Gosser or what happened to it?" you said you had no information what happened to it beyond the fact that it went into Mr. Gosser's office. Did you ever try to find out what happened to the money?

Mr. BILLHEIMER. Yes. We went before the executive board with these charges and tried to find out.

Senator MUNDT. Did they tell you?

Mr. BILLHEIMER. No, except in the whitewash they came out with later when they said there was no foundation for it.

Senator MUNDT. Did you ever see a report of what happened to this money that belonged to the employees that went into the so-called flower fund, assuming that the money went from Mr. Gosser's office into the flower fund instead of Mr. Gosser's bank account? I think most of the testimony we have indicates that it went into a flower fund. If it went into the flower fund, did you ever get a report to know whether from the flower fund it went to Mr. Gosser or from the flower fund it went into some other program? What happened to the money?

Mr. BILLHEIMER. No one was ever able to find out, to my knowledge.

Senator MUNDT. It went through Gosser's office and disappeared as far as you were concerned?

Mr. BILLHEIMER. That is right.

Senator MUNDT. You could not find any record?

Mr. BILLHEIMER. No.

Senator MUNDT. You have no record of the flower fund?

Mr. BILLHEIMER. No. Gray could not find any record.

Senator MUNDT. You don't know whether it went into the flower fund or not, but you assumed it did, because that was the general impression created?

Mr. BILLHEIMER. That was the general impression throughout the local.

Mr. MANUEL. Mr. Billheimer, did you also know Mr. Lloyd Speidell?

Mr. BILLHEIMER. I did.

Mr. MANUEL. How long did you know him?

Mr. BILLHEIMER. I have known Lloyd Speidell I suppose for 14 years.

Mr. MANUEL. He was once the recording secretary of local 12 under Mr. Gosser, was he not?

Mr. BILLHEIMER. That is right.

Mr. MANUEL. Did you hear him testify or was that in the closed session when he was before this committee?

(At this point Senator Goldwater entered the hearing room.)

Mr. BILLHEIMER. No, I did not. That was in a closed session.

Mr. MANUEL. Have you read his testimony in my office?

Mr. BILLHEIMER. I have.

Mr. MANUEL. Have you recalled that one of the people involved was Frank Molik?

Mr. BILLHEIMER. That is right.

Mr. MANUEL. Frank Molik he also stated was at one time an employee of local 12.

Mr. BILLHEIMER. Yes.

Mr. MANUEL. Mr. Gosser had made him director of the summer camp.

Mr. BILLHEIMER. That is right.

Mr. MANUEL. He also stated that Mr. Gosser put Mr. Frank Molik, who was a local employee, on the international payroll and yet he continued to perform work at local 12 for the summer camp. The difference in the pay between the international status and the local 12 status was about \$40 a week.

Mr. BILLHEIMER. That is right.

Mr. MANUEL. Mr. Speidell further stated, and he swore to it, that this excess over local pay of over \$40 a week, \$43, I believe, plus some cents, was also kicked in to Mr. Gosser.

Mr. BILLHEIMER. That is right. To the best of my knowledge he told Mr. Speidell and myself that.

Mr. MANUEL. He has told you that?

Mr. BILLHEIMER. Yes, sir.

Mr. MANUEL. You knew about that at that time when you filed the charges?

Mr. BILLHEIMER. Yes, sir.

Mr. MANUEL. I am going to hand you what purports to be a circular, I don't know whether you can identify it or not, because I just came across it, purporting to be signed by 80 some members of local 12 complaining about Mr. Gosser to Mr. Reuther. Just see if you can identify it.

The CHAIRMAN. Do you identify this document?

(The document was handed to the witness.)

The CHAIRMAN. It may be made exhibit No. 55 if you do. Can you identify it?

Mr. MANUEL. Do you ever recall seeing that circulated or do you know about it?

The CHAIRMAN. Just a moment. Do you identify the document?

Mr. BILLHEIMER. I believe I saw it, but I am not positive. There was a letter put out about that time to the international. I know many of these fellows on here, but it does not seem to me—I believe it is the one. I was out of town at the time.

Mr. MANUEL. Do you know that was circulated or sent to Mr. Reuther?

Mr. BILLHEIMER. I am quite sure it was.

Mr. MANUEL. I would like to make that an exhibit, Mr. Chairman.

The CHAIRMAN. It may be made exhibit 55.

(Document referred to was marked "Exhibit No. 55" for reference and may be found in the files of the select committee.)

Mr. MANUEL. That shows you had some company. There are 89 members signing that petition in addition to your own petition.

Mr. BILLHEIMER. Oh, yes.

Mr. MANUEL. Did you also know about the practices at Willys-Overland which have been established through the testimony of several witnesses here, Mr. Speidell, Mr. Martin, Mr. Davidow, Mr. John Bolman, about how Willys-Overland would assist Mr. Gosser in rigging the election.

Mr. BILLHEIMER. Yes, that was common knowledge.

Mr. MANUEL. That is common knowledge today?

Mr. BILLHEIMER. That is common knowledge today.

Mr. MANUEL. Has that changed any as far as you know?

Mr. BILLHEIMER. No.

Mr. MANUEL. It still prevails.

Mr. BILLHEIMER. It still prevails as far as I know.

Mr. MANUEL. Are you still a member of the union?

Mr. BILLHEIMER. I am still a member of the union.

Mr. MANUEL. You knew about it then?

Mr. BILLHEIMER. I knew about it then.

Mr. MANUEL. You know about it now?

Mr. BILLHEIMER. I want to make this plain. I am not now a member of local 12, as we withdrew from local 12 and formed our own local shortly after this trouble.

Mr. MANUEL. That is another one of the grievances which prompted you to file these charges against Mr. Gosser, isn't that true?

Mr. BILLHEIMER. That is right.

Mr. MANUEL. You and the Committee for Democratic Unionism?

Mr. BILLHEIMER. That is right.

Mr. MANUEL. They were filed with Mr. Reuther, were they not?

Mr. BILLHEIMER. Yes.

Mr. MANUEL. What happened then?

Mr. BILLHEIMER. I think it is pretty common knowledge that we went before the executive board with these charges. I read them off to Mr. Reuther and the entire executive board. I think Senator Curtis has been reading from the findings they made, that he got a complete whitewash on the deal; none of the things we alleged there were found to be true according to the executive board.

Mr. MANUEL. Was the hearing first before a three-man subcommittee?

Mr. BILLHEIMER. Before the Cody committee.

Mr. MANUEL. That was Mr. Emil Mazey and Mr. Cody and what was the other gentleman? Two regional directors.

Mr. BILLHEIMER. I can't remember. There were three of them.

Mr. MANUEL. Mr. Lacy.

Mr. BILLHEIMER. I believe so.

Mr. MANUEL. The subcommittee first heard these charges.

Mr. BILLHEIMER. They did.

Mr. MANUEL. Was a reporter present?

Mr. BILLHEIMER. Not in the subcommittee hearing. I don't believe there was.

Mr. MANUEL. Do you know whether there was a transcript made?

Mr. BILLHEIMER. There was a transcript made.

Mr. MANUEL. You testified there.

Mr. BILLHEIMER. I did.

Mr. MANUEL. Can you name some others who testified there?

Mr. BILLHEIMER. To the best of my knowledge there was Tom Russell, from local 14, and the president of local 14.

Mr. MANUEL. Mr. Speidell?

Mr. BILLHEIMER. Speidell, Eddie Duck, myself, Carl Schick. I believe there were several others but I can't recall them.

Mr. MANUEL. The three-man subcommittee was also a part of the international executive board and the full board later heard these charges?

Mr. BILLHEIMER. That is right.

Mr. MANUEL. And heard some 50 witnesses?

Mr. BILLHEIMER. That is right.

Mr. MANUEL. You attended the full hearing?

Mr. BILLHEIMER. I attended the full hearing.

Mr. MANUEL. Did you testify?

Mr. BILLHEIMER. I did.

Mr. MANUEL. What members of the board were present?

Mr. BILLHEIMER. I think the entire executive board was there, to the best of my knowledge.

Senator MUNDT. How big a board is that?

Mr. BILLHEIMER. I couldn't tell you that right now. It seems there were 30 some. I am not positive.

Mr. MANUEL. Was it composed of the regional directors?

Mr. BILLHEIMER. All the regional directors and the top officers.

Mr. MANUEL. And the presidents?

Mr. BILLHEIMER. That is right.

Mr. MANUEL. And the vice presidents?

Mr. BILLHEIMER. That is right.

Mr. MANUEL. Including Mr. Gosser and Mr. Ballard?

Mr. BILLHEIMER. That is right; as a board member.

Mr. MANUEL. Did you in general testify before the full board along the same lines as you had before the three-man committee?

Mr. BILLHEIMER. Yes, sir.

Mr. MANUEL. There were other witnesses who testified along your side?

Mr. BILLHEIMER. Yes, sir.

Mr. MANUEL. They were part of the 50 some which the international admits testified at that hearing?

Mr. BILLHEIMER. I would assume so.

Mr. MANUEL. Was there a reporter at the full hearing? Do you recall a court reporter, similar to this gentleman, taking things down, or a lady?

Mr. BILLHEIMER. I believe there was a lady taking down in shorthand, but I don't believe there was a court reporter there. I am sure there was notes taken by the lady that sat there at the table.

Mr. MANUEL. A lady taking it down at least in shorthand.

Mr. BILLHEIMER. I think that would be it.

Mr. MANUEL. Now we will go on a little bit.

Senator MUNDT. Before we leave the board, I think I misunderstood one thing. Did you say Mr. Gosser himself was a member of the board that was hearing the charges against Mr. Gosser?

Mr. BILLHEIMER. He was a vice persistent at that time and he sat in there.

Senator MUNDT. Did he sit in as a board member or did he disqualify himself and appear as a witness on his own behalf?

Mr. BILLHEIMER. I couldn't say as to that sir. He did not give any testimony while I was there. He merely sat and listened.

Senator MUNDT. He sat there with the rest of the board members and listened?

Mr. BILLHEIMER. That is right.

Senator MUNDT. This was the board that was to evaluate?

Mr. BILLHEIMER. That is right.

Senator MUNDT. You don't know whether he disqualified himself or whether he appeared as a witness or not?

Mr. BILLHEIMER. I do not know that.

Mr. MANUEL. Later, after you filed these 28 charges, or slightly before that time, were you assaulted by anyone?

Mr. BILLHEIMER. I was.

Mr. MANUEL. Who assaulted you?

Mr. BILLHEIMER. An international representative by the name of Orville Beamer.

Mr. MANUEL. Tell us about him.

Mr. BILLHEIMER. I went to the TIUC meeting.

Mr. MANUEL. Were you with anyone?

Mr. BILLHEIMER. I was with two fellows from my plant; yes, sir.

Mr. MANUEL. Who were they?

Mr. BILLHEIMER. Don Meyers and a fellow named Bishockey.

Mr. MANUEL. Was Mr. Shorty Schick with you?

Mr. BILLHEIMER. Shorty Schick was not with me. He was there the same night.

Mr. MANUEL. Was he also assaulted?

Mr. BILLHEIMER. He was.

Mr. MANUEL. Mr. Orville Beamer, of Mr. Gosser's staff, assaulted you?

Mr. BILLHEIMER. That is right.

Mr. MANUEL. Did you strike him?

Mr. BILLHEIMER. No.

Mr. MANUEL. Did he strike you?

Mr. BILLHEIMER. Yes.

Mr. MANUEL. Tell us about it.

Mr. BILLHEIMER. He had jumped on this friend of mine in the parking lot in the TIUC, and I heard him quite angrily saying, "You are with Harold." This boy that was with me had nothing to do with the charges I had made. He was merely a member of my shop. I didn't want him to suffer for anything that I had said or done, so I walked up and I said, "If you are looking for me, Orville, here I am." I had my hands in my pockets at the time, because, in the first place, it is an awfully poor place to pick a fight, and, in the second place, I could not have whipped him anyway.

Mr. MANUEL. Is he a pretty athletic fellow?

Mr. BILLHEIMER. He is. Quite younger.

Mr. MANUEL. He had previous pugilistic experience?

Mr. BILLHEIMER. Yes.

Mr. MANUEL. What happened?

Mr. BILLHEIMER. He walked up to me and said, "You called me a thief." I said, "No, I called your boss one." With that he hit me, and said, "If you called him one, you called me one."

Mr. MANUEL. Did he hit you several times?

Mr. BILLHEIMER. Quite a few times.

Mr. MANUEL. Did he knock you down?

Mr. BILLHEIMER. Several times.

Mr. MANUEL. Did he do you any bodily harm?

Mr. BILLHEIMER. I would say he gave me a pretty sore jaw for quite a while.

Mr. MANUEL. Did he also assault one Shorty Schick?

Mr. BILLHEIMER. He did later.

Mr. MANUEL. Was that the same night?

Mr. BILLHEIMER. Same evening.

Mr. MANUEL. Did you see Mr. Schick get his beating?

Mr. BILLHEIMER. No, I didn't.

Mr. MANUEL. What happened after Mr. Orville Beamer shellacked you? Did the police come on the scene?

Mr. BILLHEIMER. Not while I was there. They came after Schick got beat.

Mr. MANUEL. Did any officers interfere with your beating?

Mr. BILLHEIMER. No.

Mr. MANUEL. They did not?

Mr. BILLHEIMER. No.

Senator MUNDT. Did these two men you mentioned see you get beat up?

Mr. BILLHEIMER. The two fellows from my shop?

Senator MUNDT. Yes.

Mr. BILLHEIMER. Yes, sir.

Senator MUNDT. This happened in their presence?

Mr. BILLHEIMER. Yes, sir.

Senator MUNDT. They are able to substantiate your testimony on this?

Mr. BILLHEIMER. Yes.

Senator MUNDT. Are they alive?

Mr. BILLHEIMER. Yes.

Senator MUNDT. Are they available?

Mr. BILLHEIMER. Yes, sir.

Senator CURTIS. I want to ask you something. This man who assaulted you said that you called him a thief and you said, "No," you were referring to his boss. You meant Mr. Gosser?

Mr. BILLHEIMER. Right.

Senator CURTIS. That conversation referred to these allegations that you had filed against Mr. Gosser?

Mr. BILLHEIMER. Yes, sir.

Senator CURTIS. Were those allegations filed within union channels?

Mr. BILLHEIMER. I would say they had been because we appeared before the Cody committee with the same allegations.

Senator CURTIS. You had not filed them in court?

Mr. BILLHEIMER. No.

Senator CURTIS. It was a grievance that you and other rank-and-file members had taken to the union itself?

Mr. BILLHEIMER. Yes.

Senator CURTIS. Did you regard yourself as a good union member?

Mr. BILLHEIMER. I do.

Senator CURTIS. You did at that time?

Mr. BILLHEIMER. I did, sir.

Senator CURTIS. The petition which made certain allegations that you believed to be true and that you wanted to pursue was filed with the intention of having some authority in the union—possibly in the international—look into it, and remedy the situation, is that correct?

Mr. BILLHEIMER. That is correct.

Senator CURTIS. Was there any other reason why he would hit you?

Mr. BILLHEIMER. Not to my knowledge. I had always been friendly with him.

Senator CURTIS. Had you on any other occasion before any other forum or in any other manner questioned Mr. Gosser's financial handling of union affairs, other than this petition through channels?

Mr. BILLHEIMER. No.

Senator CURTIS. So your experience was somewhat like Mr. Bolman's. Mr. Bolman asked for a financial report of the building corporation, and he got knocked down—got his jaw broken. Then when he went to court, he was kicked out of the union because he did go to court. You along with others—what did you call this committee?

Mr. BILLHEIMER. The Committee for Democratic Unionism, I think.

Senator CURTIS. You joined in making these allegations; and as a result, one of Gosser's men looked you up and gave you a beating?

Mr. BILLHEIMER. That is substantially correct, yes, sir.

Senator MUNDT. Billheimer, this is a pretty disillusioning and degrading bit of testimony you are giving, and I want to find out whether you are sure that there could not be any other reason why you should be beaten up by one of Mr. Gosser's men, other than the fact that you were simply trying to protect your money and your rights as a rank-and-file union member. Had you had any other arguments or dissensions with this man who beat you up?

Mr. BILLHEIMER. No, sir.

Senator MUNDT. Did you have any other motive for presenting this evidence against Mr. Gosser, other than the understandable desire of a red-blooded American to protect his money and rights?

Mr. BILLHEIMER. None whatsoever.

Senator MUNDT. In other words, your testimony is that in the exercise of your red-blooded American privilege of reporting to your superiors that in your belief one of his associates was getting away with your money, taking liberties with your rights, instead of being given a hearing, being given consideration, and having your charges either substantiated or denied in the union procedures, you were beaten up, beaten up without first taking it to court or something, so that the union boss might say you are trying to degrade the union. This was all within the union.

Mr. BILLHEIMER. At that time it was.

Senator MUNDT. You were trying to get justice and present facts as you saw them within the union?

Mr. BILLHEIMER. Yes, sir.

Senator MUNDT. For that a friend and associate of the man against whom you made the charges beat you up and a fellow by the name of Schick.

Mr. BILLHEIMER. Yes, sir.

Senator MUNDT. It is pretty disillusioning testimony about unionism.

Mr. BILLHEIMER. It is pretty disillusioning in the union today to talk about it.

Mr. MANUEL. Did Mr. Gosser fire Mr. Beamer from the staff?

Mr. BILLHEIMER. At the full board hearing Mr. Reuther announced to the press that he was removing Beamer from the office.

Mr. MANUEL. He did remove him from office?

Mr. BILLHEIMER. He ostensibly removed him from office. However, it was my understanding that he never was taken off the payroll and he was back to work in a short while.

Mr. MANUEL. Is he still with Mr. Gosser?

Mr. BILLHEIMER. I understand not.

Mr. MANUEL. But he was after this event for a good while?

Mr. BILLHEIMER. For a long time.

Mr. KENNEDY. Was there any disciplinary action taken at all?

Mr. BILLHEIMER. I understood at the time Mr. Reuther made the announcement to the press, shortly after the full board hearing, that he was removing Mr. Beamer from office in the UAW. I don't know how long it was or what duration, because he was back in the same old stand.

Mr. KENNEDY. I understand he was suspended without pay for 30 days.

Mr. BILLHEIMER. That could be so. I would doubt the fact that he did not get any pay. He may have been suspended for 30 days.

Senator CURTIS. Mr. Chairman, without dismissing Mr. Billheimer, we would like to ask Mr. Gray to come forward to lay a foundation for a document.

The CHAIRMAN. All right, Mr. Gray.

TESTIMONY OF RANDOLPH GRAY—Resumed

Mr. MANUEL. Mr. Gray, you have been previously sworn. You are still under oath. Did you know Mr. Eddie Duck?

Mr. GRAY. Yes, I knew Mr. Eddie Duck.

Mr. MANUEL. Is he the same Mr. Eddie Duck who signed these 28 charges?

Mr. GRAY. Yes.

Mr. MANUEL. He is now dead?

Mr. GRAY. Yes.

Mr. MANUEL. Do you know whether or not Mr. Eddie Duck ever sent Mr. Walter Reuther a certain letter by registered mail?

Mr. GRAY. Yes.

Mr. MANUEL. Return receipt requested, dated May 1, 1950?

Mr. GRAY. Yes. He typed up the letter and informed me he mailed it registered mail.

Mr. MANUEL. It was typed in your presence?

Mr. GRAY. No. It was drawn up on paper first.

Mr. MANUEL. It was drafted in your presence?

Mr. GRAY. Yes.

Mr. MANUEL. Was it in your house?

Mr. GRAY. In my home, yes.

Mr. MANUEL. Then it was sent to Mr. Walter Reuther by registered mail?

Mr. GRAY. Yes.

Mr. MANUEL. Was a carbon copy sent to you?

Mr. GRAY. It was given to me personally.

Mr. MANUEL. Do you have a copy of that carbon copy?

Mr. GRAY. Yes.

Mr. MANUEL. May I have it? First identify it and see if that is a copy of it.

The CHAIRMAN. The carbon copy the witness presents may be made exhibit No. 56.

(Document referred to was marked "Exhibit No. 56" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Mr. Manuel, do you know all about Mr. Duck's background?

Mr. MANUEL. Mr. Duck is dead.

Mr. KENNEDY. Do you know about his background?

Mr. MANUEL. I think I know something about him.

Mr. KENNEDY. We had testimony in the earlier hearing.

Mr. MANUEL. I know there is testimony about him in the transcript.

We are going to put it in.

Mr. KENNEDY. Because the employers in the jukebox industry set him up in the union, and he was a front for a group of employers. We had testimony in connection with his activities as a front for employers, forming a union to police the association.

The CHAIRMAN. Let us get the letter and see what it says.

Mr. GRAY. It will take a minute.

The CHAIRMAN. Have you found it?

Mr. GRAY. Yes, just as you spoke. I have what is the carbon copy of the letter that he typed up and sent to Walter Reuther.

Mr. MANUEL. Is that dated May 1, 1950?

Mr. GRAY. That is correct.

Mr. MANUEL. Is there a bit of writing in the left-hand corner?

Mr. GRAY. Yes.

Sent registered receipt requested, 5/1/50, special delivery.

Mr. MANUEL. On the second page, is there a carbon copy to you indicated?

Mr. GRAY. I didn't get the question.

Mr. MANUEL. The second page at the bottom left-hand corner, is there an indication of a carbon copy to you?

Mr. GRAY. Yes.

Mr. MANUEL. Is that the copy you now have?

Mr. GRAY. Yes.

Mr. MANUEL. Would you be good enough to read it into the record, please?

The CHAIRMAN. Let me see the letter. It may take a long time to read it. Suppose you read it to expedite it.

Mr. MANUEL. I will read it.

The CHAIRMAN. Do you have a copy?

Mr. MANUEL. Yes.

DEAR WALTER: For obvious reasons I am not going to put a lot of information into this letter. If I were not sincerely interested in the union itself and in Walter Reuther's future in particular, I would not have bothered to write this at all.

Walter, you are going to be smeared nationally in the disgraceful Toledo situation's publicity when it breaks. And it is going to break within a few days. You cannot hide your head like an ostrich because people know that you do know what your vice president has been doing.

I am trusting that you will keep this letter confidential until such time as I am subpoenaed into court. When that happens I intend to tell the truth, and they know that I know plenty. I have asked certain people not to drag me into it, but right now my conscience isn't right. Theodore Roosevelt once said something about the person who refuses to stand up and speak out against wrong when he saw it to the effect that that person was just as wrong as the one who did the deed. The shoe fits me, and it fits you, too.

Randy Gray is afraid of being knocked off. Gosser has threatened him with a beating if he told the truth about the financial dealings in local 12, and he accused him "of teaming up with the redhead" against him. Melvin Schultz is scared to death, too. He's "on leave of absence" right now. Whether you know it or not, the Department of Justice is in on the investigation, and I have this information from a couple of sources that I don't doubt.

Bolman can be talked to. I know what I am saying, because I got the information directly from John Bolman. The zero hour is here. They're going to throw that thief out of office—and probably into the penitentiary—and no one can save him. You may ignore this letter if you wish, Walter, but it will be

the biggest mistake you ever made. Your future and your reputation will be ruined by allowing everything to come out through the Nation's press. You haven't seen anything yet, believe me.

Did you know that immediately prior to the Atlantic City convention the "Kingfish" wined and dined with his staff lieutenants and persuaded most of them to agree to doublecross you and Emil and to support Thomas and Addes? He couldn't get a couple to go along, and being afraid of reverberations, he abandoned the plan after giving it one more try after they reached Atlantic City.

The CHAIRMAN. The committee will have to recess so members can vote. This is a rollcall vote. Let the rest of the letter be printed in the record at this point.

(The letter is as follows:)

Do you know that Art Peth and Harold Dean have been kicking back \$41.50 per week from their pay to J. Purnell Gosser's "Petunia Fund"?

Do you know that local 12 is so broke from Gosser having channeled its funds through the summer camp and farm into his hardware store "till" that it would not have been able to hold its children's Christmas party if two large plants' checkoff funds had not arrived in the nick of time? And do you know that he boasted that he "like to know who has a better right to break local 12" than he?

Maybe you think some of this is "gossip"—but I'd like to remind you that I did not get fired and I have no case of sour grapes. I'm a law student without aspirations toward holding any office in the UAW. I have nothing to lose, but you have, Walter.

I'm sending a copy of this letter to my brother, who is a detective lieutenant on the Toledo police force, so that if anything happens to me or to my family everyone will have a pretty good idea who had it done. [Meaning Richard, not you.]

Like the popular song, Walter, "It's Later Than You Think." I am asking for the last time—pleading, if you wish—for an audience with you * * * accompanied by people who have never been on any side of the political fence but yours. I do not want to talk to Conway or Hull or anyone but you. If you're sincere, phone me at Klondike 1190, person to person. If I don't hear from you I have no alternative but to believe that you condone all the crooked dealings that have been going on, and that you are so involved with Gosser that you cannot act. I would rather think of you as I always have, Walter, but some ugly rumors are making the rounds here, and your silence is being construed as affirmation of them and as acquiescence with Gosser's nefarious deeds. As for me, I will clear my name of any stigma acquired through association with him when I get to court. If I don't hear from you I'm going to ask to be subpoenaed.

Fraternally,

EDDIE DUCK.

The CHAIRMAN. We will stand in recess until we can return from this.

(Present at the time of taking the recess were Senators McClellan, Mundt, Kennedy, Goldwater, and Curtis.)

The CHAIRMAN. We will proceed.

(Members of the select committee present after the recess were Senators McClellan and Curtis.)

Mr. MANUEL. Mr. Gray would like to withdraw the copy, the carbon copy, and substitute therefor this photostatic copy, if you please.

The CHAIRMAN. That may be done, so long as it is accurate.

TESTIMONY OF HAROLD BILLHEIMER—Resumed

Mr. MANUEL. Mr. Billheimer, I will now hand you—

Mr. KENNEDY. Have we finished with Mr. Duck, on that matter?

Mr. MANUEL. For the time being, and he will be cropping up again.

Mr. KENNEDY. I want to make sure the record is clear as far as Mr. Duck is concerned, because he had a bad reputation at that time, and he was involved or receiving money from employers just during this period of time, up in Detroit, and we had testimony about that, and

we had the evidence that he did receive money, and we had the testimony of Gus Scholl before this committee that during this same period of time within several months, I believe it is 3 or 4 months, he applied for a charter up in Detroit to try and get a charter of his own local to run a local up in Detroit and set up by employers and Gus Scholl turned him down because of racketeering elements.

Mr. MANUEL. That could be true.

The CHAIRMAN. That is set forth in the record.

Senator CURTIS. I want to say at that point, Mr. Chairman, that Mr. Duck is dead, and I do not care to or disapprove of what he may have done. The point is that this letter is offered in order to show that Mr. Reuther had notice through channels of this situation going on in Toledo.

The CHAIRMAN. Well, if you use a letter of the man that is dead, certainly testimony that is already in the record is pertinent and proper for consideration with respect to the credibility of the witness who wrote the letter and is not here to speak.

But let us proceed now and try to get through by 5 o'clock.

Mr. MANUEL. Mr. Billheimer, I will hand you what purports to be a copy of a transcript of the testimony before the three-man board, that is Mr. Mazey, Mr. Cote, and Mr. Lacy. I will ask you if you can identify that.

The CHAIRMAN. All right. Present the transcript to the witness.

(The document was handed to the witness.)

Mr. BILLHEIMER. Yes, sir.

The CHAIRMAN. It may be made exhibit No. 57.

(Document referred to was marked "Exhibit No. 57" for reference and may be found in the files of the select committee.)

Mr. MANUEL. Now, you testified before that three-man committee, I believe you said.

Mr. BILLHEIMER. Yes, sir.

Mr. MANUEL. I shall also hand you what purports to be a letter dated June 12, 1950, from Emil Mazey, purporting to transmit to Mr. Duck a copy of this very transcript. I will ask you if you can recognize Mr. Emil Mazey's signature.

(The document was handed to the witness.)

Mr. BILLHEIMER. I would say that was.

The CHAIRMAN. It may be made exhibit No. 58.

(Document referred to was marked "Exhibit No. 58" for reference and may be found in the files of the select committee.)

Mr. MANUEL. Mr. Chairman, now this is a transcript which Mr. Rauh assured me did not exist, and there were no records of such a transcript. It is very important, and we wish to read it into the record.

The CHAIRMAN. Will someone take time to read all of that; you don't want to take up the rest of the time doing that?

Senator CURTIS. May it be printed?

The CHAIRMAN. Let me see it, please.

It may be printed as an appendix to the transcript,¹ as an exhibit, and I don't want to take up the body of the record with it.

Without objection, that will be the order of the Chair.

Mr. RAUH. I have never heard of it, and I would like to see it.

The CHAIRMAN. Proceed.

Senator CURTIS. Now, Mr. Chairman, we would like to have Mrs. Gertrude Gray called and sworn, please.

¹ See Appendix II, p. 20413.

The CHAIRMAN. Are you through with Mr. Gray?

Mr. MANUEL. We have one other matter, if we can get to it, we can dismiss him temporarily.

The CHAIRMAN. Let Mrs. Gray come forward. Will you be sworn?

Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mrs. GRAY. I do.

TESTIMONY OF MRS. GERTRUDE GRAY

The CHAIRMAN. State your name, your residence, and your occupation.

Mrs. GRAY. Gertrude Gray, 2031 Geoffrey Street, Toledo, Ohio, and I am a beautician.

The CHAIRMAN. Are you related to the witness Mr. Gray who has been testifying during these hearings and just left the witness stand?

Mrs. GRAY. Yes, sir.

The CHAIRMAN. What is your relation?

Mrs. GRAY. I am his wife.

The CHAIRMAN. You are his wife?

Mrs. GRAY. Yes, sir.

The CHAIRMAN. All right. Do you waive counsel?

Mrs. GRAY. Yes.

The CHAIRMAN. Proceed.

Mr. MANUEL. Mrs. Gray, were you Mr. Gray's wife back in 1950?

Mrs. GRAY. Yes, sir.

Mr. MANUEL. Did you have occasion to send a wire to Mr. Reuther, appealing to Mr. Reuther to send someone and explore this mess in Toledo?

Mrs. GRAY. I sent the wire to Mr. Reuther, Mr. Gosser, and Mr. Mazey, asking if they were going to support Randy in the coming elections in local 12.

Mr. MANUEL. Did you get a reply from Mr. Reuther?

Mrs. GRAY. Yes, sir.

Mr. MANUEL. I will hand you what purports to be a copy of the letter dated January 20, 1950, to you from Mr. Reuther and ask you if you can identify it.

The CHAIRMAN. The witness will examine the document and state if she identifies it.

(The document was handed to the witness.)

Mrs. GRAY. Yes; I do.

The CHAIRMAN. What is it?

Mrs. GRAY. It is a letter to me from Walter P. Reuther.

The CHAIRMAN. Is it a copy?

Mrs. GRAY. It is the original letter.

The CHAIRMAN. It is the original letter?

Mrs. GRAY. Yes, sir.

The CHAIRMAN. Thank you very much.

Mr. MANUEL. Will you read it into the record? It is very short.

Mrs. GRAY. January 20, 1950, and it is headed "Miss Gertrude N. Gray, 2031 Geoffrey Avenue, Toledo, Ohio":

DEAR SISTER GRAY: This will acknowledge receipt of your wire of January 18. Please be advised that I have designated an investigating committee to check into the Toledo situation. The committee is composed of Secretary-Treasurer Mazey, Regional Director Burt, of Canada, and Regional Director Cote, from the west side of Detroit. They are already in Toledo investigating the situation and will report to the executive board at the meeting next week.

With respect to your inquiry concerning support for local 12 union officers in local 12, I wish to advise you that international officers do not interfere in the elections of the local union officers. This is a democratic prerogative which is exercised by the local membership.

Fraternally yours,

WALTER P. REUTHER.

Mr. MANUEL. Thank you. That is all.

Senator CURTIS. I want to ask Mrs. Gray something.

Mrs. Gray, the witness Goerlich used the expression "non compos mentis" in reference to your husband, and it also has been a part of our record since the Kohler hearings, the charge that your husband was out of his mind.

Now, Mrs. Gray, how long did you say you had been married?

Mrs. GRAY. Thirty-two years.

Senator CURTIS. You have lived continuously with your husband, Randolph Gray, during that time?

Mrs. GRAY. Yes, sir.

Senator CURTIS. During any period has he been out of his mind?

Mrs. GRAY. No, sir.

Senator CURTIS. And he knows what he is doing?

Mrs. GRAY. Yes, sir.

Senator CURTIS. And these matters that he has testified about, those that have come to your attention, you know them to be true and you could corroborate those you know about?

Mrs. GRAY. Yes; I do.

Senator CURTIS. That is all.

The CHAIRMAN. Are there any further questions?

Thank you very much.

Senator CURTIS. I have one question of Mr. Gray, and then we want Mr. Ballard.

Mr. MANUEL. Mr. Gray, do you have a copy of an audit of UAW which you showed me some time today?

TESTIMONY OF RANDOLPH GRAY—Resumed

Mr. GRAY. I had a copy, and I left it on the desk up there.

Mr. MANUEL. Oh, no. The copy you just showed me, a bound volume, in your briefcase.

Mr. GRAY. I laid it up there, I think.

Mr. MANUEL. Do you recall the one you had? Here it is. I have it here.

I should like to hand you this, and have you identify it. It purports to be an audit, report of the board of trustees of the international for January 1, 1958, through December 31, 1958.

(The document was handed to the witness.)

The CHAIRMAN. Do you identify the document?

Mr. GRAY. That is the one I had.

The CHAIRMAN. That is the document?

Mr. GRAY. It is an audit report by the international trustees and International Secretary-Treasurer Emil Mazey, in regard to the audit of the international union.

The CHAIRMAN. That is that one that has been issued and published by the union?

Mr. GRAY. It has been issued and published by the union through the year of 1958.

The CHAIRMAN. That is what I mean, that they have distributed as their report.

Mr. GRAY. That is right.

The CHAIRMAN. All right. It may be made exhibit No. 59.

(Document referred to was marked "Exhibit No. 59" for reference and may be found in the files of the select committee.)

Mr. MANUEL. Very briefly, Mr. Gray, does that audit show or purport to show the amount of money taken in by the international in this calendar year and the amount expended?

Mr. GRAY. Yes.

Mr. MANUEL. What do those amounts show?

Mr. GRAY. During the year ending December 31, 1958, receipts totaled \$74,631,906.67, and against this, expenses for a similar period were \$76,648,858.41.

Mr. MANUEL. Was more taken in than spent?

Mr. GRAY. Well, on page 5, it says total resources of the international union of December 31, amounted to \$28,998,529, and liabilities were \$489,000, establishing our net worth of \$28,508,537.65.

This is a decrease of \$7,221,143.64 from December 31, 1957, when our net worth was \$35,729,681.29.

Mr. MANUEL. What is the total amount expended by the international during the calendar year? Do you have that readily at hand?

Mr. GRAY. They claim that they spent \$76 million, in round figures.

Mr. MANUEL. In 1 year?

Mr. GRAY. Yes, sir.

Mr. MANUEL. I just want that in the record for later reference. It will be too long and involved to have you go through that at this point.

The CHAIRMAN. It is all made an exhibit, and any figure in there can be cited and referred to.

It doesn't have to be testified to here.

Senator CURTIS. Now, Mr. Chairman, being mindful of the shortness of time, I want to state for the record, we have a number of other documents that show the conduct of local 12 and Mr. Gosser's conduct, but we do want to hear from Mr. Ballard, and so we are going to have to forego putting in some of the evidence we would like to.

We would like to have Mr. Ballard.

The CHAIRMAN. I don't believe that you have been sworn.

Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BALLARD. I do.

**TESTIMONY OF CHARLES BALLARD, ACCCOMPANIED BY COUNSEL,
JOSEPH L. RAUH, JR., AND LOWELL GOERLICH**

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. BALLARD. My name is Charles Ballard. I live at 746 Lodge Street, Toledo, Ohio.

Mr. RAUH. Mr. Chairman, Mr. Ballard has asked that the radio be turned off, and it is my understanding that that is a rule of this committee, that if the witness desires not to have the radio on, it is not required.

The CHAIRMAN. Let me see and proceed a moment.

What is your occupation?

Mr. BALLARD. I work for the UAW as regional director, of north-western Ohio.

The CHAIRMAN. Do you have counsel?

Mr. BALLARD. I do.

The CHAIRMAN. Counsel identify yourselves for the record.

Mr. RAUH. Joseph Rauh.

Mr. GOERLICH. My name is Lowell Goerlich.

The CHAIRMAN. Just one moment, now, gentlemen.

The rule of the committee provides that a witness may request on grounds of distraction, harassment or physical discomfort that during his testimony, television, motion pictures and other cameras and lights shall not be directed at him, and such request to be ruled on by the committee members present at the hearing.

There is nothing in the rule regarding radio.

Mr. RAUH. I was aware of that. But I thought the same rule would apply, sir, since it seems to me if the man does not want to testify in front of radio, he should not have to.

The CHAIRMAN. He might not want to testify in front of this audience.

Mr. RAUH. He is here voluntarily. But if that is your ruling, it is not of very great significance.

The CHAIRMAN. I don't think that there is a great deal to the thing, and I don't see how that would distract him. It is a silent thing, and he is going to testify before a mike anyhow.

Mr. RAUH. Could I make one statement about the transcript that was offered here?

There is some suggestion that we did not try to get this, and I would like the record to show that I personally gave Mr. Manuel the name of the reporter whose name appears in this, and apparently the reporter did not think that he had taken this transcript himself, and so informed us.

However, I now find that the reporter was wrong, and he had taken this, and it is available. Possibly if he got something else we could ask him to look again, because we would be happy to, and I just want the record to make clear that I personally—

The CHAIRMAN. You did not purposely withhold any information regarding it.

Senator CURTIS. In that connection I might ask you, Mr. Rauh, will you pursue those channels and all other channels and see if you can get a transcript of the hearings before the executive board?

Mr. RAUH. Mr. Collier has informed us that he does not have those, but we can ask him again, and I understand Mr. Manuel tried to get it from Mr. Collier, and anybody can go to Mr. Collier that wants to, but I will try once more.

The CHAIRMAN. Let us proceed.

Senator CURTIS. Now, Mr. Ballard, how old are you?

Mr. BALLARD. I am 49.

Senator CURTIS. When did you first join the union?

Mr. BALLARD. Sometime around 1935 or 1936.

Senator CURTIS. In 1935 or 1936?

Mr. BALLARD. Yes, sir.

Senator CURTIS. When did you first become a salaried employee of the union?

Mr. BALLARD. August of 1943.

Senator CURTIS. And what position were you given then?

Mr. BALLARD. International representative.

Senator CURTIS. How long did you serve as international representative?

Mr. BALLARD. Well, the time I went into the Army, I went on as regional director in 1947.

(At this point Senator Mundt entered the hearing room.)

Senator CURTIS. Upon whose staff were you assigned?

Mr. BALLARD. Brother Gosser's, Richard Gosser's.

Senator CURTIS. Now, during the time that you were an international representative, did you make payments to the flower fund?

Mr. BALLARD. Yes, sir.

Senator CURTIS. How often did you make them?

Mr. BALLARD. Well, if I was in town, I generally turned in about every 2 weeks.

Senator CURTIS. If you weren't in town, how did you handle it?

Mr. BALLARD. Well, I could have sent it in by mail or I could have waited until I got back in town.

Senator CURTIS. How much did you pay in every 2 weeks?

Mr. BALLARD. When?

Senator CURTIS. During the time you were an international representative.

Mr. BALLARD. Well, I paid different amounts.

Senator CURTIS. All right. What was the highest amount you ever paid?

Mr. BALLARD. Oh, I wouldn't say, at a convention time when we were short of funds, I don't remember just exactly how much, but the general rule was \$10 a week.

Senator CURTIS. \$10 a week?

Mr. BALLARD. Yes, sir.

Senator CURTIS. Did you pay that in cash or did you pay it by check?

Mr. BALLARD. I paid it in cash.

Senator CURTIS. You paid it in cash?

Mr. BALLARD. Yes, sir.

Senator CURTIS. Now, in the Toledo area, how many flower funds were there?

Mr. BALLARD. I don't know how many flower funds there are in the Toledo area.

Senator CURTIS. In the UAW?

Mr. BALLARD. As far as I know, there is only one flower fund under my jurisdiction.

Senator CURTIS. What one is that?

Mr. BALLARD. It is the region 2-B flower fund.

Senator CURTIS. Region 2-B flower fund?

Mr. BALLARD. Yes, sir.

Senator CURTIS. And you are regional director of 2-B?

Mr. BALLARD. That is right.

Senator CURTIS. Does Mr. Gosser have a flower fund?

Mr. BALLARD. Well, you wouldn't call it Mr. Gosser's flower fund. It was the international representatives flower fund.

Senator CURTIS. Now, is that the same flower fund as region 2-B flower fund?

Mr. BALLARD. The flower fund when he was director, you mean, when I was a representative; is that what you are referring to?

Senator CURTIS. I am trying to find out the international flower fund; is that the same flower fund as region 2-B flower fund?

Mr. BALLARD. Senator, I don't have any international union flower fund. Mine is region 2-B flower fund.

Senator CURTIS. Region 2-B flower fund?

Mr. BALLARD. Yes, sir.

Senator CURTIS. Now, take the year 1958, for instance. Who paid into that flower fund, what categories of people?

Mr. BALLARD. All of the representatives that worked for me pay into the flower fund.

Senator CURTIS. How many representatives do you have?

Mr. BALLARD. For what period?

Senator CURTIS. Well, I will talk about 1958.

(At this point Senator Kennedy entered the hearing room.)

Mr. BALLARD. Possibly about 11. And it could be one or two either way, because we made reductions in staff.

Senator CURTIS. Now, did anybody else besides your international representatives pay into the flower fund?

Mr. BALLARD. Yes. We have local union officers that pay into the flower fund.

Senator CURTIS. About how many of those?

Mr. BALLARD. Three or four; just the full-time ones.

Senator CURTIS. The full-time officers of local 12?

Now, do any international representatives assigned to Mr. Gosser or anybody else pay into the flower fund, the region 2-B flower fund?

Mr. BALLARD. Sometimes when we run short, we get some money from his staff, and they don't pay on any specific time.

Senator CURTIS. Do they pay in a different fund?

Mr. BALLARD. No, it goes into the same fund.

Senator CURTIS. It goes in the same fund?

Mr. BALLARD. Yes, sir.

Senator CURTIS. All right. How much money did you receive?

Mr. BALLARD. I should phrase that question, some of Mr. Gosser's staff that worked out of region 2-B actually come from that region, might be assigned someplace else, those are the ones I refer to, because he has a larger amount of staff that don't come from our region, and

they don't have anything to do with our flower fund, and just the ones who participate in it from our region.

Senator CURTIS. In other words, whether they are assigned to you as regional director or whether they are assigned to Mr. Gosser, if they are in your region they pay into this flower fund?

Mr. BALLARD. All of the ones that are assigned to me under my jurisdiction pay into the flower fund.

Senator CURTIS. Now, how about Mr. Gosser's who spend all or a greater portion of their time in region 2-B; do they pay into the flower fund?

Mr. BALLARD. Sometimes they pay into the flower fund, and not regularly.

Senator CURTIS. How many representatives does he have?

Mr. BALLARD. I couldn't tell you offhand, Senator.

Senator CURTIS. About how many?

Mr. BALLARD. How many representatives on his payroll that come from our region; that is what you are referring to?

Senator CURTIS. Yes.

Mr. BALLARD. I would say there must be as a rough guess, 8 or 10.

Senator CURTIS. Just 8 or 10?

Mr. BALLARD. Yes, sir.

Senator CURTIS. They pay into your flower fund?

Mr. BALLARD. At times, yes.

Senator CURTIS. How much money was paid into your flower fund in 1958?

Mr. BALLARD. I don't know how to answer that question. I can take a pencil and try to estimate it.

Senator MUNDT. Why don't you?

Mr. BALLARD. I am not a mathematician.

Senator MUNDT. I believe the testimony is here. I don't want to be inaccurate. The testimony is that you were the one in charge of this flower fund, is that correct?

Mr. BALLARD. That is right.

Senator MUNDT. Did you keep any books and records?

Mr. BALLARD. I keep the cancelled checks.

Senator MUNDT. What record do you make of receipts?

Mr. BALLARD. Deposit slips are you talking about from the bank?

Senator MUNDT. No; I am talking about payments into the flower fund such as you yourself made at one time.

Mr. BALLARD. I don't issue any receipts.

Senator MUNDT. I didn't ask you whether you issued receipts. What record do you make of it?

Mr. BALLARD. We don't make any record. We deposit the money in the bank in a checking account.

Senator MUNDT. Is all of it deposited in the bank?

Mr. BALLARD. Yes.

Senator MUNDT. All the money that came into the flower fund in 1958 was deposited in the bank?

Mr. BALLARD. It is in the bank, yes.

(At this point Senator Goldwater entered the hearing room.)

Senator MUNDT. Every dollar of it?

Mr. BALLARD. I don't know whether the last donation is there. It might be a few dollars. I have not been in the office. I was sitting here for the last few weeks.

Senator MUNDT. In 1958 was all the flower money put in the bank?
Mr. BALLARD. Yes.

Senator MUNDT. What bank?

Mr. BALLARD. Toledo Trust. We have a savings account and we also have a safe deposit box.

Senator MUNDT. Where is the savings account?

Mr. BALLARD. I am looking, Senator. I think I wrote it down. I will have to say that our savings account is in the new bank—I misplaced the name of it—I think it is the First National. If you wait a second, I will ask Murphy here.

Senator CURTIS. Ask him.

Mr. BALLARD. National Bank of Toledo.

Senator CURTIS. The National Bank of Toledo?

Mr. BALLARD. Yes.

Senator CURTIS. How much money is in that savings account?

Mr. BALLARD. Approximately around \$5,000.

Senator CURTIS. Mr. Ballard, you were asked or your attorney was asked to bring in all the records from 1943 concerning the flower fund. We have here some material that was submitted and was stated that is all the records that you have, which is a checkbook on the Toledo Trust Co. of Toledo, Ohio, and then some files which appear to have a canceled check. The first entry in here is January 2, 1958. In other words, this is not all the records of the flower fund, is it?

Mr. BALLARD. No; it isn't.

Senator CURTIS. Why didn't you produce the others?

Mr. BALLARD. They didn't have them. I got this stuff here.

Senator CURTIS. You didn't have it?

Mr. BALLARD. They didn't have it. I was not in the office when they picked it up. This is just the deposits made and how we make them. That is all they missed.

Senator CURTIS. But you have a savings account besides that.

Mr. BALLARD. Yes; we have a savings account.

Senator CURTIS. But it was not produced in the request for all the books and records. Where is the safety deposit box?

Mr. BALLARD. I am not positive of the bank, Senator, and I would not want to say. It is a bank in Toledo.

Senator CURTIS. What is in the safety deposit box?

Mr. BALLARD. It should be about \$4,600 or \$4,700, in that neighborhood.

Senator CURTIS. In cash?

Mr. BALLARD. In cash.

Senator CURTIS. Where did that come from?

Mr. BALLARD. It came from the flower fund.

Senator CURTIS. Was it 1958 receipts?

Mr. BALLARD. No, it is accumulated. What we don't use up in the period at the end of the year. I suppose I ought to explain what we do with our flower fund. Maybe that would solve a lot of our questions.

Senator CURTIS. The solving of our questions would be if you would obey the request of this committee and bring in the flower fund reports. We asked for them from 1943. I realize that is some time back, but I have been asking you about 1958.

Mr. BALLARD. Senator, you have all the records that I have regarding the expenditures and so forth of the flower fund.

Senator CURTIS. Mr. Chairman, here is the matter and I am going to go vote. This witness testifies now after having had this produced here as the records of the flower fund, which the chairman has examined. He now reports that they do have a savings account in another bank. He also reports that they have a safety deposit box that has cash in it. None of those things were disclosed to the committee when we asked for the record of the flower fund.

Mr. RAUH. Does the Senator want us to bring the box down here?

The CHAIRMAN. No, we want the records.

Mr. RAUH. We tried to produce everything we can. The Senator is trying to confuse Mr. Ballard. It is a very simple thing. They are all here. Is the Senator trying to make something?

The CHAIRMAN. I am not trying to confuse him. I will ask questions.

(At this point Senator Curtis withdrew from the hearing room.)

The CHAIRMAN. I will ask you a question or two. Have these records been made an exhibit yet?

Mr. MANUEL. I don't believe so, Mr. Chairman, not an exhibit.

(The document was handed to the witness.)

The CHAIRMAN. I present to you here a checkbook with some blank checks in it, and also some check stubs with apparently stubs for checks that have been written. I will ask you to identify the record before you. What is it?

Mr. BALLARD. It is the checkbook of the region 2-B flower fund on the Toledo Trust Co.

The CHAIRMAN. Is it the flower fund you have been testifying about? Is it the checkbook on that?

Mr. BALLARD. Yes, sir.

The CHAIRMAN. Is that the only record you have of the flower fund for 1949?

Mr. BALLARD. This doesn't deal with 1949.

The CHAIRMAN. 1959, I mean.

Mr. BALLARD. Yes, sir.

The CHAIRMAN. This is the only one you have?

Mr. BALLARD. Plus these, now.

The CHAIRMAN. Wait a minute. Is it the only one you have for 1959?

Mr. BALLARD. Checkbook.

The CHAIRMAN. Yes, or any other record.

Mr. BALLARD. I have ordered another checkbook. I have another checkbook like this.

The CHAIRMAN. At the time you sent that up here is that the only record you had?

Mr. BALLARD. That is right.

The CHAIRMAN. You have another checkbook since then?

Mr. BALLARD. That is right.

The CHAIRMAN. But up to the time you sent that checkbook in and that carries check stubs to what date—what is the date of the last one?

Mr. BALLARD. August 7, 1959.

The CHAIRMAN. That was about a month ago. You have had another book since then.

Mr. BALLARD. I ordered one. If it is not in the office, it should be.

The CHAIRMAN. Where are the vouchers upon which you pay out checks?

Mr. BALLARD. We don't keep them.

The CHAIRMAN. You don't get any receipts for the bills you pay and you don't get any statement of the bills you owe; is that correct?

Mr. GOERLICH. They were here.

The CHAIRMAN. I am trying to find out.

Mr. BALLARD. All the stuff I have is right up there.

The CHAIRMAN. I present to you here some folders, six altogether, and ask you to examine them and state if you identify them for their contents. Do those folders contain the bills and invoices that are a part of your records?

(The documents were handed to the witness.)

Mr. BALLARD. Yes; they do.

The CHAIRMAN. For 1959?

Mr. BALLARD. For 1959.

The CHAIRMAN. All right. All of this may be in bulk made exhibit No. 60.

(The documents referred to were marked "Exhibit No. 60" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Let me ask you: Do you have any other records for 1959 up to that date, August 6 or August 7, other than these that are here now before the committee?

Mr. BALLARD. There are some additional deposit slips here. That is what we have.

The CHAIRMAN. They may be filed as exhibit No. 60-A.

(Documents referred to were marked "Exhibit No. 60-A" for reference and may be found in the files of the select committee.)

The CHAIRMAN. I haven't had time to look at them. I don't know what they contain. Do those constitute all of the records you have of the flower fund?

Mr. BALLARD. As far as I know, Senator.

The CHAIRMAN. For 1959.

Mr. BALLARD. That is correct.

The CHAIRMAN. You would know. You keep all the records of it; don't you?

Mr. BALLARD. A girl takes care of it, Senator.

The CHAIRMAN. She does it under your supervision; yes.

Mr. BALLARD. Yes; I am responsible.

The CHAIRMAN. These are all the records?

Mr. BALLARD. As far as I know; yes.

The CHAIRMAN. If there are any others, you would know about them?

Mr. BALLARD. I was told this is all the records from my secretary, and I assume they are all there.

The CHAIRMAN. As far as you know, you have not seen any others?

Mr. BALLARD. That is right.

The CHAIRMAN. And this is all you have?

Mr. BALLARD. That is right.

The CHAIRMAN. For 1958, did you have any records?

Mr. BALLARD. In 1958?

The CHAIRMAN. Yes.

Mr. BALLARD. Sure we had records.

The CHAIRMAN. Where are they?

Mr. BALLARD. At the end of the year we make an inventory and discard them.

The CHAIRMAN. What do you mean, make an inventory?

Mr. BALLARD. We have in our region what is known as the steering committee.

The CHAIRMAN. How does the steering committee make the inventory?

Mr. BALLARD. The steering committee is made up of old members of our union.

The CHAIRMAN. I don't care whether they are old or young.

Mr. BALLARD. Which directs the affairs of our union. I make a report to them, and everyone seems to be satisfied.

The CHAIRMAN. Do you have a copy of the report you made to them? Do you keep a copy of it?

Mr. BALLARD. It is an exhibit here.

The CHAIRMAN. Is there an exhibit of the report he makes of their flower fund?

Mr. MANUEL. I have not seen it, sir.

Mr. BALLARD. They get a copy every time I take money and bank it, and so forth.

The CHAIRMAN. I understand you might do that. Do you keep a record of those who contribute to the fund, and how much they contribute.

Mr. BALLARD. Only week by week.

The CHAIRMAN. What do you mean, week by week? Suppose I am one of those contributors and I come in at the end of the year and say, "Look, I am giving this check to charity." I suppose that is what it is, sometimes. "I want to know how much I paid in so I can deduct it from my income tax." Do you have any record of it to show how much it was?

Mr. BALLARD. No; I don't keep records.

The CHAIRMAN. You don't keep records of the amount of money that comes into this fund, other than what you may deposit in the bank?

Mr. BALLARD. The only record I keep is the last payment he makes.

The CHAIRMAN. What do you mean by that? Do you keep the money?

Mr. BALLARD. No; I keep a record when he made his last payment.

The CHAIRMAN. What do you do with that record?

Mr. BALLARD. When he pays again I tear that one up.

The CHAIRMAN. Is that so. When did this system of bookkeeping originate in this enterprise?

Mr. BALLARD. I have had the books since 1952 or 1953, somewhere along in there.

The CHAIRMAN. Who instructed you to handle it that way and when did you begin handling the account that way?

Mr. BALLARD. No one instructed me. I keep my own books.

The CHAIRMAN. They didn't. Is this your idea to destroy the records as fast as they are made?

Mr. BALLARD. I don't consider keeping track of who owes money a record.

The CHAIRMAN. You don't?

Mr. BALLARD. No.

The CHAIRMAN. That is not a record, keeping track of who owes money?

Mr. BALLARD. Senator, when you pay, you just throw the other one away.

The CHAIRMAN. Why?

Mr. BALLARD. Because it is paid. There is no use keeping a big bunch of records.

The CHAIRMAN. Here are people making a contribution to a fund and you keep no record of who contributes and how much that you can show at the end of the year.

Mr. BALLARD. I keep a record of the amount of money.

The CHAIRMAN. You keep a record of the total money, but you don't show at the end of the year how much this man paid to it, or how much the others paid to it, do you?

Mr. BALLARD. Senator, I think—

The CHAIRMAN. Not what you think, but do you?

Mr. BALLARD. I think the people who are involved in our union trust each other.

The CHAIRMAN. You think what? You just simply keep no records, and that is the whole scheme of this thing, not to be identified with what the facts are so anyone can find out from the records you keep. Isn't that the truth about it?

Mr. BALLARD. I would not say it that way.

The CHAIRMAN. Well, how would you say it?

Mr. BALLARD. I would say when the person pays to the flower fund, there is no use keeping the note that I have that he owes.

The CHAIRMAN. There is no use keeping the note. Do they all pay notes? They do owe notes for it?

Mr. BALLARD. No, I mean I keep a little penciled note of when a person pays. It is just a piece of paper. If I have 10 people on it, and it is January 10, I keep it. As soon as they pay, I make up another list.

The CHAIRMAN. You tear that up. Do you tear them up or burn it up?

Mr. BALLARD. I just discard it in the ashtray or in the wastepaper basket.

The CHAIRMAN. What is there about this fund that has to be so secret that you don't keep records?

Mr. BALLARD. There is nothing secret about our flower fund.

The CHAIRMAN. Can you tell me how much—give me the name of two people who belong to it that pay to it?

Mr. BALLARD. Everyone on my staff.

The CHAIRMAN. Give me the names of two of them.

Mr. BALLARD. All right. Walter Murphy.

The CHAIRMAN. Who else.

Mr. BALLARD. Dick Meyers.

The CHAIRMAN. Dick Meyers?

Mr. BALLARD. That is right.

The CHAIRMAN. How much did Dick Meyers pay into this fund last year?

Mr. BALLARD. He paid in \$10 a week.

The CHAIRMAN. Every week?

Mr. BALLARD. No. He didn't pay when he is on vacation.

The CHAIRMAN. Do you know how much he paid into the fund?

Mr. BALLARD. Yes.

The CHAIRMAN. How much.

Mr. BALLARD. He paid \$10 a week for 49 weeks.

The CHAIRMAN. How much total did he pay?

Mr. BALLARD. \$490.

The CHAIRMAN. Are you sure?

Mr. BALLARD. Yes, sir. I would have a note saying he owed it.

The CHAIRMAN. You have a note for \$490?

Mr. BALLARD. No, I would have a note. I am talking about a penciled note that I keep.

The CHAIRMAN. Do you have one there?

Mr. BALLARD. No, because he don't owe it.

The CHAIRMAN. Did he ever owe \$490?

Mr. BALLARD. Well, he has been behind.

The CHAIRMAN. That is the strangest account I ever saw. You keep no records.

Mr. RAUH. I don't think that is fair, Senator.

The CHAIRMAN. I do. My God Almighty, how do you keep a record and know what people pay and don't pay if you tear it up every time a note is paid.

Mr. RAUH. There is no deduction for this.

The CHAIRMAN. It may be perfectly all right. They can do anything they want with it. I want to know how they keep the fund. Obviously they keep no records by which you can go back and get the fact for a year later. Are there any records where you can go back and get the facts a year later?

Mr. GOERLICH. Of course.

The CHAIRMAN. Where is it?

Mr. RAUH. The bank checks.

The CHAIRMAN. That shows how much money is put in the bank, but it does not show who paid the money.

Mr. GOERLICH. Everybody pays the same amount per week.

The CHAIRMAN. If they are not working, they don't pay.

Mr. GOERLICH. Those who do not pay, he has a memorandum on those.

The CHAIRMAN. I just think there is no bookkeeping to it, and there is no record of it. You may have a perfect right to have no records. I don't know. I do know that this is a good system of business management and everyone else who hears this testimony knows the same thing.

Mr. RAUH. This is a voluntary fund.

The CHAIRMAN. I know you say it is voluntary but a lot of witnesses testified that it was not voluntary. They testified they had to pay to keep the job. That may be true or not.

Mr. BALLARD. They misquoted the truth. There is no one on my staff who is in that category.

The CHAIRMAN. I don't understand it.

Mr. BALLARD. Would you suggest I change my system?

The CHAIRMAN. It may be beyond—

Mr. BALLARD. I have no objection to keeping it. I don't want to clutter up a lot of stuff.

The CHAIRMAN. It would take a lot of clutter to keep this.

Mr. BALLARD. It would over a period of years.

The CHAIRMAN. I just don't understand this sort of reasoning. It is not reasonable. It is not logic. It is not the common practice of anyone keeping a voluntary fund. They have a right to know about it. They have a right to have a record about it.

Mr. BALLARD. Everyone has a right to know about this.

The CHAIRMAN. Sure they do. But there is no record from which to find out. At the end of a year there is no record kept.

Mr. BALLARD. All the money is spent by a check. If they want a copy of the check, I am sure the bank makes copies or records of the checks. You can very easily get it from the bank.

The CHAIRMAN. Unless you kept a record, there is nothing to check to make sure the money went in the bank in the first place. There is no way you can go to your records and tell whether the money is honestly received and administered and placed in that fund and accounted for.

(At this point Senator Curtis entered the hearing room.)

Mr. BALLARD. It is.

The CHAIRMAN. You say it is, but there are no records beyond 1959 where you can go back and find that is true.

Mr. BALLARD. I don't know about 1949.

The CHAIRMAN. I said 1959. Back behind that there is no record of any transaction in connection with it.

Mr. BALLARD. 1959 is. You have everything that we spent there.

The CHAIRMAN. Any questions?

Senator GOLDWATER. I have just one question there. Would a member of your staff be allowed to pay in this in a check?

Mr. BALLARD. We have not made a policy to pay it by check.

Senator GOLDWATER. Have you ever received a check?

Mr. BALLARD. No.

Senator GOLDWATER. What would you do if you received a check?

Mr. BALLARD. Well, I would probably return it to him and tell him to cash it and pay it to me in cash.

Senator GOLDWATER. Wouldn't it be easier to handle it in check form?

Mr. BALLARD. Well, it could be, I assume, if you want to look at it that way.

Senator GOLDWATER. Is there a policy against checks?

Mr. BALLARD. It is a policy against checks in my region. I don't know how they do it anywhere else.

Senator GOLDWATER. That is all.

The CHAIRMAN. Any questions? Senator Curtis?

Senator CURTIS. Mr. Manuel has a question or two.

The CHAIRMAN. All right.

Mr. MANUEL. Mr. Ballard, Mr. Jesse Motsinger testified before this committee and put in the record an exhibit showing that Mr. Gosser had 130 and some international representatives on his staff in about 1953 and 1954. At \$5 a week, I believe he stated, that fund amounted to about \$36,000 a year.

Mr. BALLARD. Yes.

Mr. MANUEL. Did that go into your flower fund?

Mr. BALLARD. No, it didn't.

Mr. MANUEL. Whose did that go into?

Mr. BALLARD. I would not know, sir.

Mr. MANUEL. You would not know?

Mr. BALLARD. I don't have anything to do with that.

Mr. MANUEL. Did that go into the international flower fund or the national flower fund or whtaever you call it?

Mr. BALLARD. I think you would have to ask the officers that question. I would not know. I can assume, that is all. I would not want to assume.

Mr. MANUEL. You do not know?

Mr. BALLARD. I do not know.

Mr. MANUEL. Do you contribute to any other fund except this one?

Mr. BALLARD. No, I do not.

Mr. MANUEL. Have you ever?

Mr. BALLARD. I have contributed at conventions.

Mr. MANUEL. To what?

Mr. BALLARD. Different caucus groups to put out leaflets.

Mr. MANUEL. This checkbook that you produced in response to a subpoena of this committee, this is a check register for 1959. You have written out in blank 10 checks. Is that your practice to write those out with your signature and have somebody else fill in the blank for the amount?

Mr. BALLARD. That is right.

Mr. MANUEL. Who fills it in?

Mr. BALLARD. My secretary.

Mr. MANUEL. Does Mr. Gosser fill any in?

Mr. BALLARD. No, he does not.

Mr. MANUEL. Who gives your secretary the instructions to write it in?

Mr. BALLARD. She has standing orders to send flowers to people.

Mr. MANUEL. From whom?

Mr. BALLARD. From me.

Mr. MANUEL. Are you trying to tell us that this money is spent for flowers?

Mr. BALLARD. I am not trying to tell you this is all for flowers.

Mr. MANUEL. Are you trying to tell us that much of this is spent for flowers?

Mr. BALLARD. Most of it is spent at a convention and different banquets where we cannot spend union money. We have to spend it out of the flower fund.

Mr. MANUEL. Actually if you are making these international representatives just kick back to you, they are nothing but an involuntary conduit from which you siphon money off from the treasury into your flower fund; isn't that right?

Mr. BALLARD. That is not quite true.

Mr. MANUEL. If these people are kicking this back to you under compulsion as a condition of employment, that is not voluntary.

Mr. BALLARD. I would say that would be right.

Mr. MANUEL. If that is true, you are using international money to support yourself in office.

Mr. BALLARD. That is not true.

Mr. MANUEL. If that is true, then you are doing that.

Mr. BALLARD. I said it was not true.

Mr. MANUEL. I say if this is true, then you are indeed using international money, aren't you?

Mr. BALLARD. You can put it any way you want to. I am telling you it is not true.

Mr. MANUEL. You are telling us it is voluntary?

Mr. BALLARD. That is what I am telling you.

Mr. MANUEL. Yet a while ago you talked these people owed it. You are talking about terms of obligation.

Mr. BALLARD. When a group of people get in a meeting and vote to do this, I would say the majority should rule. That is the way we elect the Senators and Presidents, and so forth.

Mr. MANUEL. In other words, if you have 20 representatives on your staff and 11 vote that they kick in 5 bucks a week, the others are bound by it; is that right? That is how voluntary it is; isn't it? That is majority rule.

Mr. BALLARD. If we have a majority of the people in that part, we would stay at a meeting a little longer to get closer to unanimous vote than that.

Mr. MANUEL. I say, though, if you have 20 representatives and 11 of them vote to contribute \$5 a week, you make the others kick in, too?

Mr. BALLARD. Not what you are referring to, on the compulsory.

Mr. MANUEL. Wouldn't that be majority rule? You would make the others kick in.

Mr. BALLARD. I would say they ought to be men enough and abide by the majority.

Mr. MANUEL. In other words, you make them kick in \$5 a week.

Mr. BALLARD. I don't make them do anything. It is voluntary.

Mr. MANUEL. That is your definition of "voluntary" anyway, isn't it? That is what you call voluntarism? That they have to kick it in to you, \$5 per week.

Mr. BALLARD. No.

Mr. KENNEDY. He did not say that. He answered the question.

Mr. MANUEL. I am examining this witness, Mr. Kennedy.

The CHAIRMAN. The Chair will watch it. You may proceed.

Mr. MANUEL. What is wrong with this flower fund? Why do you destroy the records? Can you tell us that?

Mr. BALLARD. I think you have had the version of Mr. Gosser's testimony when they had the Internal Revenue and everyone else check the books over, and they were in perfect order.

Mr. MANUEL. What year was that? I think he said 1951.

Mr. BALLARD. It was later than that. I think it was 1952.

Mr. MANUEL. Say 1952. From 1952 to 1959 they have not audited those?

Mr. BALLARD. I have not had them. At the end of the year I don't keep fancy books like Mr. Gosser.

Mr. MANUEL. You certainly don't. There is nothing around for the Internal Revenue Service to audit.

Mr. BALLARD. They can get there each year or go to the banks.

Mr. MANUEL. They better get there before you destroy the records.

Mr. BALLARD. I don't destroy the bank's records.

Mr. MANUEL. What record do you have of the money that goes into the safety deposit box? Do you have any written records of that?

Mr. BALLARD. There is a note in there that says where the money goes in case of my death or anything.

Mr. MANUEL. Who has access to the strongbox?

Mr. BALLARD. Don Pinciotti.

Mr. MANUEL. Are you a big-cash man like Mr. Gosser? He said he never wrote a check in his life.

Mr. RAUH. Mr. Chairman, I object to that. That is a misreading of Mr. Gosser's testimony. He said his wife signed his checks for him and from this Mr. Manuel has the gall to deduce he was a big-cash man, because his wife signed the checks, instead of himself.

The CHAIRMAN. I think counsel was correct. I think Mr. Gosser testified that his wife wrote the checks. I don't know whether he is a big-cash man or a small-cash man but he did testify that his wife wrote the checks.

Mr. MANUEL. Mr. Ballard, does Mr. Gosser have access to this cashbox?

Mr. BALLARD. No, he does not.

Mr. MANUEL. Do the people who contribute to this fund know how much goes in that cashbox?

Mr. BALLARD. The steering committee knows where the money goes, and they can report to their representatives.

Mr. MANUEL. Do all the members who contribute know how much is going into it?

Mr. BALLARD. I would say they could add up and know how many is working.

Mr. MANUEL. One other quick matter. You and Mr. Gosser own a farm up in Michigan.

Mr. BALLARD. We did.

Mr. MANUEL. You did?

Mr. BALLARD. Yes.

Mr. MANUEL. Tell me this: Did Willys-Overland furnish any carpenters and millwrights to build any barn on that farm?

(At this point Senators Mundt and Kennedy entered the hearing room.)

Mr. BALLARD. As far as I know, they did not.

Mr. MANUEL. As far as you know. Did they furnish any material for the barns and building on that farm?

Mr. BALLARD. As far as I know, they did not.

Mr. MANUEL. You would know it.

Mr. BALLARD. I don't work at the farm. We have a manager there.

Mr. MANUEL. You own the farm, you and Mr. Gosser, or you did.

Mr. BALLARD. I would say the Government owns most of it.

Mr. MANUEL. Do you know how—you are under oath—did Willys-Overland, the company, build any buildings for you on that farm, you and Mr. Gosser, furnishing lumber and millwrights to do it?

Mr. BALLARD. As far as I know, they didn't. I don't know what you want me to say.

Mr. MANUEL. Did any employers contribute any farm machinery to that farm and was it located on that farm and later sold?

Mr. BALLARD. Not as I know of.

Mr. MANUEL. Can you say "Yes" or "No"? You would know it if you got some equipment as a present from the employer.

Mr. BALLARD. No; because I am not the manager of the farm.

Mr. MANUEL. You own it.

Mr. BALLARD. I have an investment in it; yes.

The CHAIRMAN. You say you know of nothing?

Mr. BALLARD. I know of nothing.

The CHAIRMAN. Proceed.

Senator CURTIS. Mr. Chairman, it is my understanding you are going to close at 5:15. I want to say a word or two.

At the beginning of this hearing, the chairman said:

Senator Curtis, before you proceed to interrogate the witness, do you want to make any statement for the record as to the purpose of this investigation?

Senaor CURTIS. The purpose of this investigation is to lay before the committee in executive session certain information that has come to me for the purpose of delivering that information to the committee in executive session under oath so that the committee might decide whether or not a full fledged investigation should be made. This is not presented with the idea that it is a completed investigation.

Mr. Chairman, I have at all times attempted to keep faith with the chairman's commitment to me, and my commitments to him. I believe it turned out that this investigation became a public one. I was not the moving party in that. I do not care to cast any reflections on those who wanted it public. But I believe we have here one of the most flagrant cases of denial of rights of union members that this committee has heard. These matters were aired some time ago, but they continued on. We have here a story of union members, rank and file members like Mr. Bolman, who have a right to know the facts concerning the building corporation. They go into the union. They ask for an accounting in an appropriate way. He gets his jaw broken. He goes to court. He is kicked out of the union.

We have the situation of Mr. Martin, who disagrees with the leaders of his union. He is attacked with a pop bottle. The man who hit him pleads guilty and pays a fine, but retains another job, and is made an international representative, and Mr. Martin is banned for 99 years.

In the 1 minute left remaining before the gavel goes down on these hearings, I cannot enumerate them all, but it is evident that the chairman's great fight for a bill of rights was justified. Mr. Gosser's own testimony is very hazy on many of these things. He is a man, according to his own testimony, of considerable property. We tried and tried to get the facts about the flower fund. In March 1958 Mr. Reuther said:

Senator Curtis, I stated before we shall be most happy to make available any information and all information that we possibly can find as it relates to these funds. We have nothing to hide. We are quite willing to do it. We are asking for it.

At another point in his testimony, he admitted that his contributions run as high as \$75. In these hearings two witnesses have taken the fifth amendment. Witness after witness has testified that they did have to pay into a flower fund, and pay in as a condition of their job. We know what happened to these people who opposed Mr. Gosser.

Mr. Chairman, the time is up. I merely submit we have made a case for a complete investigation. I hope it can proceed this fall, and that in January, while the life of this committee continues to exist, we may have the evidence.

Senator MUNDT. Mr. Chairman, has the witness been dismissed? I was going to ask him a question. He disappeared. I don't know if he was dismissed or not.

The CHAIRMAN. Who has been dismissed?

Senator MUNDT. Mr. Ballard.

Mr. RAUH. He is still here if you want him.

The CHAIRMAN. The Chair is bound to bring this to a close.

Mr. KENNEDY. There is a statement I want to make.

The CHAIRMAN. I know it. I suppose others have a statement to make. Come around, Mr. Ballard.

Mr. DAVIDOW. Mr. Chairman, I have been subpoenaed here, and I have been here on four occasions. I am a former general counsel for the UAW-CIO. A letter has been published here by Mr. Rauh which contains two falsehoods and half a truth.

The CHAIRMAN. Just a moment. We will hear that in a minute. Don't interrupt these proceedings.

Ask your question, Senator.

Senator MUNDT. Just on two points, Mr. Ballard. We were talking about the flower fund when the rollcall came. I wanted to establish in my own mind whether the flower funds that you have jurisdiction over, which I think you call the region 2 flower fund, is that the same flower fund that has been referred to at various times during these hearings as the Gosser flower fund, or the flower fund that evolves out of the money that goes into Gosser's office or is that a different flower fund?

Mr. BALLARD. I don't know what they have been referring to, Senator. The only thing I know is the flower fund in region 2-B, under my direction, since 1952 when I took over the books. This is the region 2-B flower fund.

Senator MUNDT. Does Mr. Gosser pay into your flower fund?

Mr. BALLARD. I think they were talking about the flower fund prior to me being director and him being regional director. I preceded him as regional director.

Senator MUNDT. Does Mr. Gosser pay into your flower fund?

Mr. BALLARD. Yes.

Senator MUNDT. Do you pay into the flower fund he has as international vice president?

Mr. BALLARD. No.

Senator MUNDT. Did he have a flower fund as an international vice president separate from your flower fund in region 2?

Mr. BALLARD. That I couldn't say, Senator. I assume they do. I don't know.

Senator MUNDT. Did you attend the meeting in the last 2 or 3 weeks at Toledo with Mr. Gosser at which these hearings were discussed?

Mr. BALLARD. I have attended several meetings in Toledo, I don't know which one you referred to.

Senator MUNDT. Did you attend any meetings with Mr. Gosser in the last 2 or 3 weeks at which these hearings were discussed?

Mr. BALLARD. What kind of meetings, Senator?

Senator MUNDT. Meetings where people sit in chairs or stand up and look at each other and talk to each other and part of the discussion involved these hearings.

Mr. BALLARD. I attended a banquet. Maybe you are referring to that. About 3 weeks ago.

Senator MUNDT. Did you attend any other meeting?

Mr. BALLARD. Where he spoke?

Senator MUNDT. You attended a banquet. Did you attend any other meeting within the last 2 or 3 weeks at which Mr. Gosser was also present at which these hearings were discussed? You can answer that "Yes" or "No."

Mr. BALLARD. I don't recall any, sir.

Senator MUNDT. Do you deny attending any meetings within the last 2 or 3 weeks?

Mr. BALLARD. I wouldn't deny it because I attend a lot of meetings, Senator.

Senator MUNDT. This is not a very long time, just the last 2 or 3 weeks, and these hearings are pretty important business to you and to us.

Mr. BALLARD. If you name the meeting, I will tell you the truth. You name the meeting and I will say what happened.

Senator MUNDT. Have you attended a meeting within the last 2 or 3 weeks in Lima, Ohio?

Mr. BALLARD. Lima, Ohio, I chaired that meeting last Saturday.

Senator MUNDT. Was Mr. Gosser there?

Mr. BALLARD. No, he was not.

Senator MUNDT. Have you attended any meetings where Mr. Gosser has been present at Lima, Ohio?

Mr. BALLARD. No, sir. He was not at the Lima meeting. He was sick in bed.

Senator MUNDT. We will scratch out Lima. Did you attend any other meeting besides the banquet meeting which you mentioned at which Mr. Gosser was present in the last 2 or 3 weeks at which these hearings were discussed?

Mr. BALLARD. Senator, I attended a meeting Labor Day morning with a group of people, celebrating with a Catholic priest and some employers. Monday we attended with a group of employers and Protestant ministers.

Senator MUNDT. That is not responsive. I am not trying to get your diary of all the meetings you attend. I am asking you in the last 2 or 3 weeks if you attended any meeting at which Mr. Gosser was present at which these hearings were discussed.

Mr. BALLARD. I don't remember any besides this banquet and a few words might have been mentioned.

Senator MUNDT. Have you attended any meetings in the last 2 or 3 weeks in which both Mr. Gosser and Mr. Zvara were present?

Mr. BALLARD. I have not.

Senator MUNDT. Are you sure of that?

Mr. BALLARD. If you are referring about the banquet, he was invited there. I was at the meeting and he was invited there because Brother Gosser wanted him there because he was going to talk about him. I didn't think that he should have invited him, but he says when I talk about someone I want him there. He really raked him over the coals, too, I might say.

Senator MUNDT. He didn't come!

Mr. BALLARD. I don't know whether he came. I was informed that he didn't show up. If that is what you are referring to—

The CHAIRMAN. If there are no other questions—

Senator MUNDT. I can't get a direct answer.

Mr. BALLARD. I couldn't tell you whether he was there. I sat on the platform. There were 500 people there. One person I asked specifically if he was there and he said he didn't think he was there. That is the reason I stated that.

The CHAIRMAN. You said you don't know whether that he was there.

Mr. BALLARD. No, he was invited there. He should have been there because he would have gotten told off.

Mr. MANUEL. Mr. Chairman, would you indulge me for one moment? There is something in this record that should be set clearly because it reflects on my integrity and the integrity of Senator Curtis.

The CHAIRMAN. Let me continue here.

Mr. BALLARD. Am I through again?

The CHAIRMAN. You are through again.

Senator MUNDT. You were not through the first time. You just walked away.

Mr. BALLARD. I was advised that we were done.

The CHAIRMAN. Does any Senator want to make a statement?

Senator KENNEDY. I would like to hear Mr. Manuel.

Mr. MANUEL. This is in regard to a statement by the chief counsel I believe on yesterday, that is August 16. He is stating that according to Mr. Tierney and reports that Mr. Ells, the attorney for the Toledo Blade, had admitted to our investigators, or the investigators of this committee that these original charges were a fraud.

I called Mr. Ells last night and he said he made no such statement. I advised him that perhaps the Chair would allow him to come in. He said he did not know whether he would come in or not or whether he would even file an affidavit. He did ask me to state for the record that he made no such statement.

The CHAIRMAN. The Chair will make this observation about any statement made in the record that comes under rule 12 where the party is aggrieved by, or thinks he is, a misrepresentation of the facts. Where he is involved, he will be given an opportunity. In other words, he may proceed under the provisions of rule 12 and the committee will consider the affidavit submitted, and if it is pertinent and responsive to some sworn testimony in the record in the judgment of the committee it may, or at the discretion of the committee, be made a part of the record.

Senator CURTIS. Mr. Chairman, could at this point that part of the report of these two investigators relating to this interview with Mr. Ells be incorporated in the hearing?

The CHAIRMAN. Without objection they may be made an exhibit.

Mr. KENNEDY. Make the whole report, because it deals with their conversation with Mr. Ells and Mr. Block, and with the fact that Mr. Ells told our investigators there was no substance to the charges.

The CHAIRMAN. The Chair will order this. The Chair will order all records pertaining to the investigation made by the staff held as a part of the record of this hearing.

Mr. RAUH. Does that mean it is a public document and we may finally see it?

The CHAIRMAN. No, sir, I didn't say that. It will be held for the information of the committee.

Senator CURTIS. Mr. Chairman, that part of it relating to what Mr. Ells said has been made public, what Mr. Bob Kennedy has said and Mr. Manuel's retort. I ask that that part of their report, reporting what Mr. Ells told them, be made a part of the printed record. I think in fairness to all it should.

The CHAIRMAN. You better get that part up so we see what we are doing. I am perfectly willing to impound all records so we will have them.

Senator CURTIS. I will leave it to these two gentlemen, I know they are honorable, to provide those excerpts where they report their conversation with Mr. Ells. That is all I want.

The CHAIRMAN. Get up what you want in the record and present it to the Chair and if anyone has any doubt about it, we will make a decision on it. We don't have any doubt about it now. All right, Senator Kennedy.

Senator KENNEDY. Since these hearings are coming to an end, I would like to remark for the record that I think that they have been a monumental misuse of time for the members of the committee, and for the persons directly involved.

I have always been of the belief that investigations by congressional committees should be carried out in such a fashion that when hearings are held the material and information exposed has at least some degree of authenticity to it.

These hearings under the highly unorthodox procedure followed in which the committee staff, the Democratic members, and the chairman himself have been kept in the dark about the material gathered, have been little more than a circulation of grievances by persons involved in international union political fights nearly 10 years ago.

Apparently none of the information was cross-checked or evaluated before it was broadcast from this committee.

There has been nothing of consequence presented here that was not known to the UAW and to the reading public in 1949 and 1950. There is nothing of consequence presented here that was not known more than a year and a half ago to this committee when the regular committee staff fully investigated these matters and recommended that this matter was not worthy of the committee's time.

I believe now as I believed before these hearings began, that it is a mistake for members of a Senate committee to use that committee to carry on political warfare against some organization that they disapprove of. I feel that the good name of this committee has been used by some in their desire to indict a union whose political philosophy differs from theirs.

I want to also commend the chairman of the committee for the manner in which he has conducted these hearings at all times under an almost impossible and virtually unheard of situation. I think he has performed at all times in the best interests of justice and fair play.

I hope that these hearings will prove to be a valuable lesson to this and other committees of the Congress as the record will clearly show that the taking of public testimony which has been neither checked carefully nor evaluated fairly, redounds to the discredit not just to those who conducted the investigation, but to the committee which has been used as the vehicle for the publication of such information and conclusions.

The CHAIRMAN. Does any other Senator want to comment?

Senator MUNDT. I don't have a prepared statement that I can read before the committee, but I do want to say a word or two as we reach the end of this preliminary staff investigation.

I would like to begin by commending Senator Curtis and Assistant Counsel Manuel for the work that they have done under difficult, if

not well-nigh impossible circumstances. They have not had the benefit of a staff of 20 or 30 or 40 or 60 employees, but the two of them have undertaken to present to this committee for our consideration a preliminary investigation of situations which at best can certainly be described as unsavory enough to justify a thoroughgoing investigation. That is all they purported to do at the beginning.

Despite the varying and invariable erroneous statements of Mr. Rauh that this was a Republican investigation, that this was a Curtis-Mundt-Goldwater investigation, or a Curtis-Mundt investigation, this has been from the start exclusively a presentation by Senator Curtis on behalf of himself and the sole member of the staff that he had working with him, Mr. Manuel, to bring before us such evidence as had come to their attention.

Speaking for myself, I learned a great deal from this hearing which I did not learn from the preliminary investigation of the associated activities occurring in Toledo when it was very briefly before our committee a year or two ago.

I regret that this part of the hearing could not have been held prior to the action of Congress on labor reform legislation, because I believe that it would have added to the strength of those insisting upon a bill of rights which is thoroughly effective and completely comprehensive to protect the rights of the individual dues-paying member in America against those of his leaders who sometimes seek to impose their personal interests upon him.

Certainly we have had evidence enough to indicate that this flower fund is at best a very sticky business. It is a business so sticky that even the counsel representing those who have custodianship of the flower fund says that they destroy the books a year at a time, and that we cannot get the evidence of 1958 from the books, because they are gone.

We cannot get the evidence from 1957 from the books; they are gone; or for 1956, or for 1955.

In this critical area in which Mr. Curtis and Mr. Manuel probed about the slot machine situation, we are left to our individual imaginations, because those books are gone.

That, I think, is perhaps understandable, because those books are 10 years old.

We tried to find the facts concerning the Colonial Hardware situation, where one of the partners testifies he received no money whatsoever and no division of profit whatsoever, and no compensation whatsoever, and the other partner testifies also under oath that they shared the partnership proceeds and profits equitably.

The place to find the facts would be in the books, but the books are gone.

So we have this same repetition of a Jimmy Hoffa cash transaction all over again in the flower fund, and in the Colonial Hardware, and it is pretty hard to trace cash when the books have disappeared.

So in the first place, this flower fund business is a pretty sticky situation, and for me, I don't like any procedure in this country where an honest workingman has to pay an auxiliary tax to his employer in order to hold a job.

It seems to me that smacks of the old indenture system, which I thought we eliminated in this country since our colonial days.

There is a second thing that disturbs me as a result of these hearings, and I join Mr. Curtis in hoping that the staff or a staff will make a thorough investigation of this during the recess and so that when we reappear on the scene in January we can have some additional hearings on this, and give anybody who feels he may be aggrieved an opportunity to testify and give anybody who has found a book or record or a bank account a chance to come in and produce it.

I am disturbed about the fact that the financial interests and the individual rights of dues-paying members in a great union like the UAW are held in such jeopardy that the testimony is pretty much uncontradicted that those who sought to pursue their rights through union channels, instead of being given a hearing and perhaps having the charges dismissed or disproved or verified, instead of having that kind of procedure which we have been led to believe and which should become part of union democracy, in place of that they are pounced upon, and beat up and hit by goons.

How in the world they are going to establish union democracy under conditions of that kind, I don't know.

So I am mighty glad that the labor reform bill—which my friend Jack tells me is the proper title for the legislation that Congress has just passed—went as far as it did in providing a bill of rights for American labor.

I regret that it didn't go further to be sure that those who labor with their hands and pay dues to a union, especially in areas of compulsory unionism where a man can't earn bread for his family without being coerced into union membership, will have at least the beginning of a bill of rights in that direction.

I wish it could have been made stronger, because I think that they should be entitled to every legitimate American right and that no union boss has a right to deny those rights to him or to play fast and loose with his money and contributions he makes to his union.

The CHAIRMAN. Senator Goldwater.

Senator GOLDWATER. I have to disagree with Senator Kennedy when he makes a statement that this has been a monumental misuse of time. That might be true to some who have not been for this investigation from the very start.

But I suggest that it has not been a waste of time to those people who for nearly 10 years have been trying to get the truth of this matter, and have been presented with what is clearly to me a whitewash of the whole situation, whitewashed by the union itself.

I think if we have done nothing else, we have at least answered some of the questions in those people's minds who have been insisting that justice be done in this whole area.

I don't think that there is any question in anybody's minds that these flower funds are not voluntary. I think that it has been definitely established that they are compulsory funds and they have to be paid, and I think that that is what we were trying to seek. I think it has been proven. I agree with Senator Mundt that it is a crime in this country that we have compulsory payment into any type of fund whether it is political, flower, or whatever you want to call it. If we don't have freedom extending into the use of money that men earn, we are in a pretty sad way in this country.

That is all I have to say.

The CHAIRMAN. The Chair is going to recess or adjourn subject to call of the committee.

Senator MUNDT. Some witness stood up, and I don't know if he wanted to say something.

Mr. DAVIDOW. May I ask your indulgence for a few moments?

The CHAIRMAN. Make it brief and tell me what you want to do.

Mr. DAVIDOW. I would like to testify in view of the fact I have been subpoenaed.

The CHAIRMAN. Have you not testified?

Mr. DAVIDOW. No, sir. And I was here as a witness to answer one question, and that is all, in reference to the effort made to have the Willys-Overland Co. put a stop to unfair labor practices whereby Willys-Overland encouraged Mr. Gosser to maintain his control.

The CHAIRMAN. I don't know why you weren't presented as a witness, other than the time element.

Can you make a brief statement, just real brief now.

Make it fast and hard, and I want to quit, and I am going to quit in a minute.

Mr. DAVIDOW. First, as I said before, I was the first general counsel for UAW-CIO. I was its attorney for 3 years when I quit. The letter that Mr. Rauh sent to you falsely states that I was fired.

I quit because the UAW-CIO was taken over by the Communists, and Mr. Walter Reuther was a conscious associate of that group.

The CHAIRMAN. Now just a moment. I don't know—we are going to get into something here that will be an endless procedure of incrimination, and recrimination, and charges.

Suppose you do just exactly like Mr. Rauh did. You send me a letter and I will make it an exhibit, denying these things and put it in the form of an affidavit, and I will take it as an exhibit, and you hand out a copy to the press and everybody stands out equal.

Mr. DAVIDOW. The only difference is—I know you mean well and you want to be fair—but the only difference is that I do not possess the connections that the UAW-CIO has when these hearings are recessed, and the newspapermen will scatter.

The CHAIRMAN. You give it to me and I will hand it to the newspapers and I will see they get it.

Mr. DAVIDOW. Thank you so much.

The CHAIRMAN. I announce now that they will get whatever you send, if it is responsive to the charge made against you.

Senator KENNEDY. We don't want it to go out now in the press that a witness before this committee charged that Walter Reuther was a Communist. I don't think that it ought to be put before this committee.

The CHAIRMAN. I didn't want it to come before the committee, but I can't help what the press is going to print.

Senator KENNEDY. You said the Communists are infiltrating in the Legion and doing a good job in infiltrating the Catholic and Protestant Churches. I don't think we are called together to listen to charges like the ones you just made.

Mr. DAVIDOW. I don't know, Senator, what source you are quoting from.

Senator KENNEDY. I am quoting from a news report of your speech before the Economic Club of Detroit.

Mr. DAVIDOW. I did not make any particular reference to the American Legion because I know it is an honorable organization. I did say that a certain organization that was started by certain people of the Roman Catholic faith were conscious members and associates of the Communist Party. I stand by that.

The CHAIRMAN. Send us an affidavit if you will make it responsive to what is in the record. But if you go to making charges now against others, that are going to drag this thing out, I am not going to put it in the record, and I am not going to give it to the press.

Listen now, I am indulging you to answer what you said Mr. Rauh said about you in an affidavit. Now you may send it in.

(Shortly after the conclusion of these hearings the chairman received an affidavit with an accompanying letter from Mr. Davidow. The letter and affidavit were marked "Exhibit No. 61" for reference at the request of Mr. Davidow, pursuant to rule 12 of the committee's rules of procedure, and may be found in the files of the select committee.)

Mr. DAVIDOW. May I answer Senator Kennedy's question about my alleged remark about Mr. Reuther?

Senator KENNEDY. Let me just say this: You are brought here by Senator Curtis and Mr. Manuel, and you are here at their invitation, and not certainly at my invitation, and I am sure not the chairman's invitation.

You have made a statement that Mr. Reuther is a follower or was a follower of the Communist line. Isn't that what you said?

Mr. DAVIDOW. I say that he accepted the Communist Party discipline and acted in accordance with it.

Senator KENNEDY. I understand now what you say, and I object, and I am astonished that Mr. Manuel and Senator Curtis would permit a witness that they are presenting to make that charge.

Now everything I said about this hearing is double.

Mr. DAVIDOW. I will say this: I want to make that statement without the privilege of this committee.

The CHAIRMAN. The Chair has told you as he has ruled and if you persist, I am not going to do that.

Mr. DAVIDOW. I shall prepare the affidavit.

The CHAIRMAN. If you are going to make charges like that, and I am not arguing the validity or invalidity of them, I am just not going to entertain things that will drag this out indefinitely. If you want to answer any statement made in Mr. Rauh's letter as to you, OK.

Mr. DAVIDOW. I will do that.

The CHAIRMAN. Now, the Chair wants to make a brief statement, and then we are going to adjourn subject to the call of the Chair.

These hearings have not been conducted in the usual and ordinary course of procedure. Maybe the Chair has made some mistakes, but I start out with the premise or the fact that the committee is a bi-partisan committee. Representatives on the committee, members of it, the composition of the committee, is of equal number of Republicans and Democrats. It has been my effort from its inception and the beginning of the work of this committee to forget all politics and try to rise above any partisan considerations or influence, and simply

undertake to carry out the mission and do the job that the committee was established to do.

Now, in the course of developments some members of the committee were not satisfied with the committee's hearings or with the committee's investigation of Mr. Walter Reuther and the Kohler strike, and matters related thereto.

There was a desire on the part of some members of the committee to have further investigations. We did send members of the staff out to investigate some of these charges, and they reported back that they felt from their investigation it did not warrant further hearings or public hearings.

So we took no action, and later Senator Curtis desired to get some information and asked the Chair for some subpoenas to get some witnesses that he might talk to. Whether I did right or wrong or not, I think that I would do the same thing again, and I authorized the subpoenas to be issued for those requested by a member of the committee.

I think that I would do that again.

Then when he said he wished to present the matter to the committee for consideration and to determine whether it should have public hearings, I told him he might do that in executive sessions. I had in mind that such matters would be presented in executive session and that we would all have the opportunity to know what was going to come about.

Senator Curtis took the position that we did not want to reveal to the members of the committee or to members of the regular staff other than the member of the staff representing the Republican members of the committee, the information or documents that he had until such time as he could have the witnesses here to testify.

Well, that was in my judgment an unreasonable request.

I think it was an improper request. But some of you may never have the experience of trying to be chairman of a committee such as this, and try to keep it on the track, and try to keep it from getting off on tangents that could be of disservice not only to the committee and its prestige but to the job it was created to do.

So I leaned way over in order to continue the committee in its work. I agreed to proceed with the hearings without knowing what was to be presented, particularly many details of it.

We have proceeded that way, thinking we would get the information in executive hearings. That would have been all right, and there would not have been anything come of it if we could have kept the executive hearings executive, where they belonged.

That soon proved to be difficult to do, if not impossible.

Then it was decided to make the committee hearings public.

I wish to say this at this time, that I see nothing that has been developed in the testimony that could not have been presented wide open at any time, anywhere. Much of it apparently was already known, and much of it is old, but with respect to other Senators they have their views and they have a right to them, and a right to express them.

I want to say for the record that I have not been overwhelmingly impressed with the veracity of either side. I think that I have spotted inaccuracies, and I am being charitable, from a number of witnesses who have testified with respect to what occurred.

Be that it may, this record is made, and whether it will be helpful to anyone or not, I do not know.

As to the purpose of the committee, legislation has been enacted. The labor reform bill has been enacted into law, and whether it will be the judgment of the Congress or of the Senate that this committee should be continued longer, so far as this member of it is concerned, he feels that it will have served its purpose, and that this committee as a select committee should not be continued longer.

There should be something, in my judgment, set up by the Senate or by the Congress, some authority to have on a standby basis something so that the most flagrant abuses if they occur can be investigated and brought to light.

That is for the purpose of guiding the Congress with respect to any future legislation that may be needed and to inform it with respect to the new legislation and how it is administered and how it operates.

I think that would be quite proper.

But I am personally hopeful that we will find a solution to the problem if any exists, other than continuing the select committee. It would be my purpose as chairman, and I trust I will have the co-operation of each member of the committee, to begin winding up this committee's activities and get in our reports.

I do believe we can all take pride in the fact, and I think this goes without challenge, it was the work of this committee working together and trying to keep partisan politics out of it and rising above partisanship, and bringing out into the limelight the abuses that we found existed in some areas, and in some unions of organized labor, that the Congress has reacted to public demand and passed legislation and enacted a law that will go on a long way toward correcting many of the conditions that the committee has exposed; conditions that are unwholesome and that should not exist, that should be prohibited, and prevented.

I believe that the committee's work has been worthwhile. Others may not share that opinion, but since we are to recess now for quite a long time, before we leave for home after adjournment, I wanted to make this statement for the record.

The committee stands adjourned subject to call of the Chair.

(Whereupon, at 5:50 p.m., the select committee recessed, to reconvene subject to the call of the Chair.)

APPENDIX NO. 1

EXHIBIT NO. 1

<u>BILLING RECORD:</u>		Client		Electric Auto Lite Company - #103					
Description of Services -		Stage Incentive Installation							
Rate of Accrued Commission -		15 % of Net Engineering Services							
Period Ended	Total Billed	Expenses & Supv.	Net Eng'g. Services	Accrued Commission	Commission Paid				
			Amount	To Date	Amount	To Date	Date	Amount	To
1955									
Nov.	5517.73	9917.73	2200.00	2200.00	330-	330- ¹²	12/2/55		
Dec	10252.60	3440.10	6812.50	9112.50	1624.17	1351.87	↓	6321.42	2/2/56
1956									
Jan	16866.99	4985.99	11,875-	21,887.50	1751.25	9133.12			
Feb	18913.67	4178.67	14,125-	35,012.50	2118.75	5251.87			
Mar	23252.99	5665.49	16,187 ¹²	53,200.00	3728.13	7980.00			
Apr	23,719.04	4429.04	19,500.00	73,710.00	3925.00	16,465.00	4/30/56	7096.83	2/2/56
May	24,736.24	4792.74	19,937.50	92,287.50	3996.63	13,895.63			
June	24406.18	5156.18	19,250.00	111,887.50	3887.50	16,783.13			
July	18,608.87	3168.87	15,500-	127,357.50	2925.66	19,168.13			
Aug	22,444.76	4758.76	17,687.50	145,075.00	3653.12	21,761.25	8/14/56	2069.38	2/2/56
Sept	18,703.43	3453.43	14,750-	159,825.00	2212.50	23,973.75			
Oct	22,315.71	4631.21	17,687 ¹²	177,512.50	3653.13	26,606.88	10/6/56	5000-	2/2/56
Nov	26,272.00	4114.7-	16,125-	193,157.50	3418.75	29,045.63			
Dec	17,440.83	3565.82	13,875-	207,512.50	3681.25	31,126.88			
1957									
Jan	17,054.04	3616.54	13,437 ⁵⁸	226,951.00	3015.62	33,142.50			
Feb	13,912.78	3475.28	10,437 ⁵⁰	231,387.50	1565.63	34,768.13	2/7/57	4700 ¹²	2/2/56
MAR	13294.64	2337.14	10,937 ⁵²	242,325.00	1646.62	36,348.75			
Apr	8377.74	2940.24	5437 ⁵²	247,769.50	815.13	37,164.38	4/20/57	3270 ¹²	2/2/56
May	4194.46	1151.96	3662.50	260,825.00	1657.38	37,623.76			
June	9824.45	1136.95	2687.50	253,512.50	463.12	38126.88	6/16/57	2390.12	2/2/56
Jul/Aug	6396.65	-	-	8396.65	9950	9950	7/16/57	718.63	2/2/56
TOTALS	321,080.49	74,164.64	1247 115.85	1	37,067.38	1	37,067.38		

Job Completed 6/18/57

EXHIBIT NO. 1A

SHEET NO.	NAME	ADDRESS	TERMS	RATING	CREDIT LIMIT	ITEMS						DATE	DEBITS	DATE	ITEMS	FOLIO	Y	CREDITS
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						1913-03	1913-03	C12	0			1913-03	42					
						1913-03	1913-03	C13	0			1913-03	43					
						1913-03	1913-03	C14	0			1913-03	44					
						1913-03	1913-03	C15	0			1913-03	45					
						1913-03	1913-03	C16	0			1913-03	46					
						1913-03	1913-03	C17	0			1913-03	47					
						1913-03	1913-03	C18	0			1913-03	48					
						1913-03	1913-03	C19	0			1913-03	49					
						1913-03	1913-03	C20	0			1913-03	50					
						1913-03	1913-03	C21	0			1913-03	51					
						1913-03	1913-03	C22	0			1913-03	52					
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						1913-03	1913-03	C27	0			1913-03	57					
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						1913-03	1913-03	C113										

EXHIBIT NO. 1B

ACCOUNT NO. _____

Yours
John

NAME
ADDRESS

CREDIT LIMIT

EXHIBIT NO. 2A

¹⁻²³
₂₁₀
George H. Elliott & Company, Inc. No. 537
Management Consultants
521 Fifth Avenue New York 17 New York December 22 1955

Peter Zvara

* Dollars

George H. Elliott & Company, Inc.

**Guaranty Trust Company of
Flith Avenue at 44th Street
New York, N. Y.**

SPAND JURY
EXHIBIT NO. +
FEB 20 1977

1000 CHINESE CHARACTERS

TATE, JR. 1-787-200

EXHIBIT NO. 2B

George H. Elliott & Company, Inc.
Management Consultants
521 Fifth Avenue New York 17
New York December 22 1955

Pay to: Peter Zvara
the order of
Thirty-One Hundred Seventy-One and 75/100 Dollars

DEC 27 1955

No. 538

1-23
210

\$ 3171.75

***** Dollars

Guaranty Trust Company of New York
Fifth Avenue Office
Fifth Avenue at 44th Street
New York, N. Y.

Peter J. [Signature]
FBI - Boston
1000 Atlantic Avenue
Boston, Massachusetts 02109
609-550-2225

2

EXHIBIT No. 3

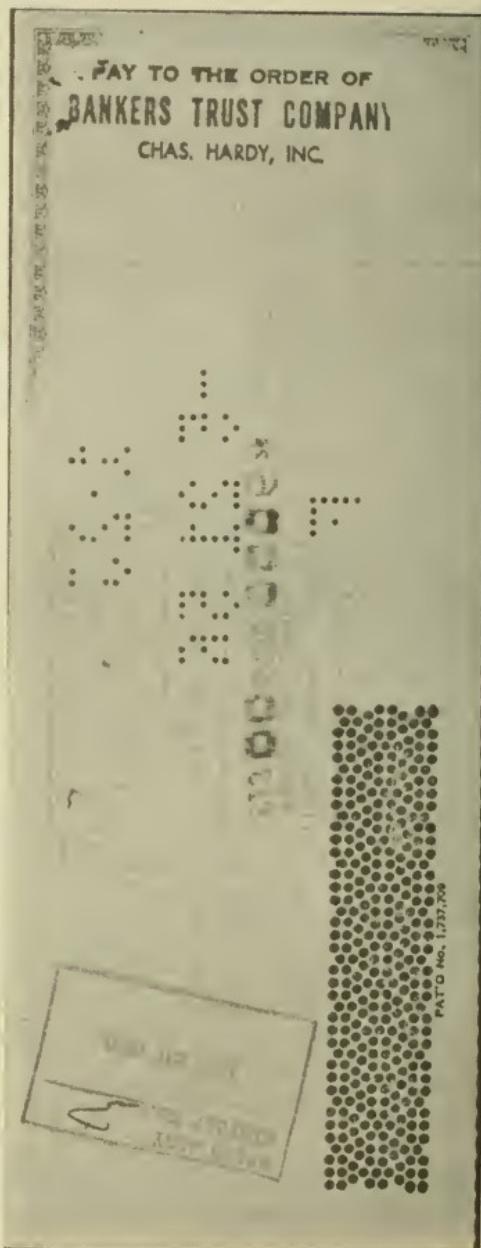
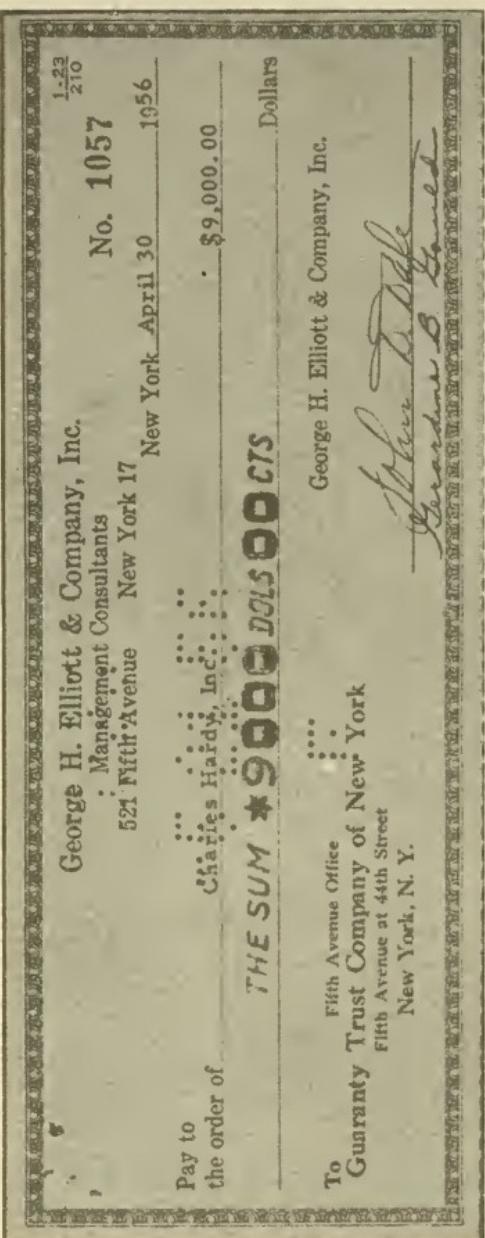


EXHIBIT No. 3A

SAVINGS		CHARLES HARDY—Inv.	No. 9179
		420 Lexington Avenue	
		NEW YORK 17, N. Y.	
		NEW YORK	MAY 13 1956
			• • 19
			13
Day of Month:		7	DOLLARS
TO THE ORDER OF			
TOTAL OF PAYMENT			
AMOUNT OR OTHER			
BANKERS TRUST COMPANY			
129 FIFTH AVENUE			
NEW YORK, N. Y.			

This Check is in full payment of the following
and is not to be accepted at any time
DATE PARTICULARS AMOUNT

May 22 1956
20 3

14

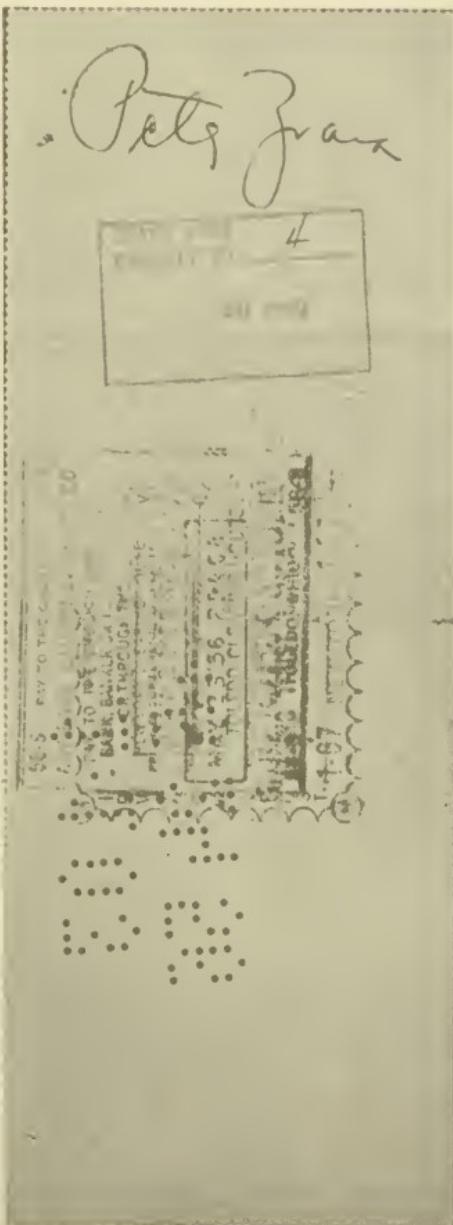
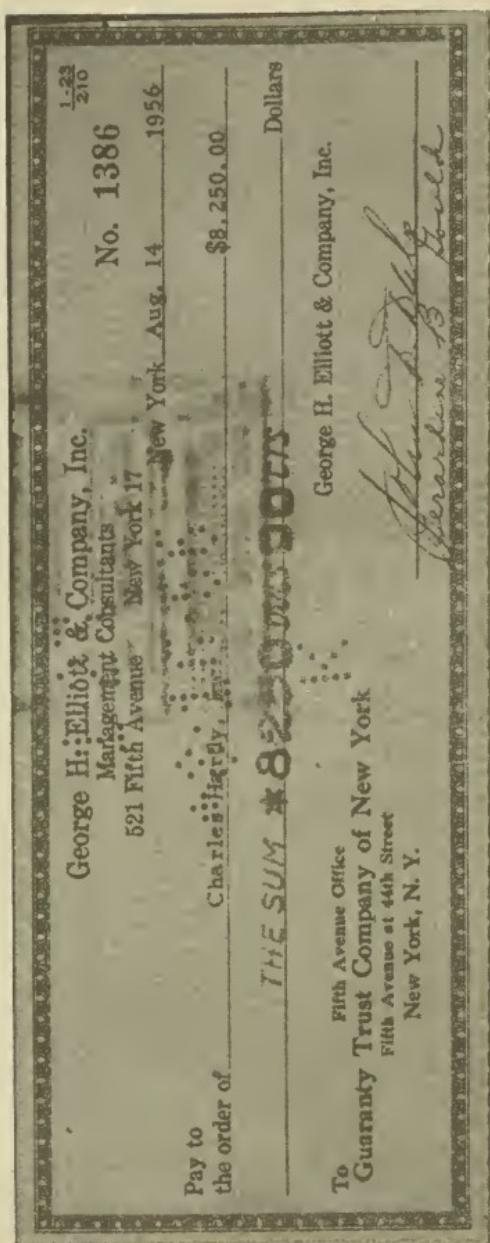


EXHIBIT No. 4A



PAY TO THE ORDER OF
BANKERS TRUST COMPANY
CHAS. HARDY, INC.

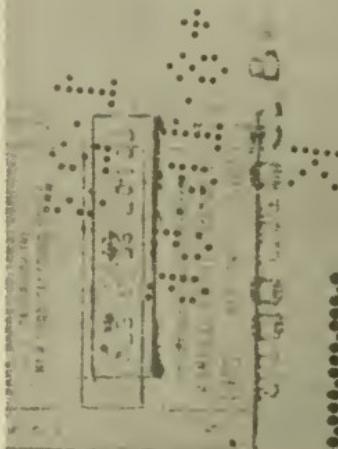
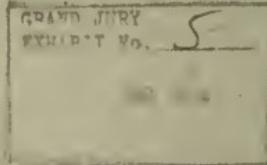


EXHIBIT NO. 4B

DAVINGS CHARLES HARDI, INC.		NO. 9465
420 LEXINGTON AVENUE NEW YORK 17		1-103
Bankers Trust Co. AUG 12 1956		210
New York		19
		31
		\$ 1569 -
DOLLARS		
The Sureties		
7		
<p>THIS CHECK IS DRAFT PAYMENT ON THE FOLLOWING AND FOR PAYMENT ACCEPTS IT AS SUCH DATE: 1956 YACHTCLUB: AMERICAN TOTAL OF INVOICES: _____ LESS: _____ AMOUNT OF CHECK: _____</p>		
<p>BANKERS TRUST COMPANY 529 FIFTH AVENUE NEW YORK, N. Y.</p>		

APPROPRIATE SIGNATURE
Peter Frana
 AUTHORIZED SIGNATURE
John Williams

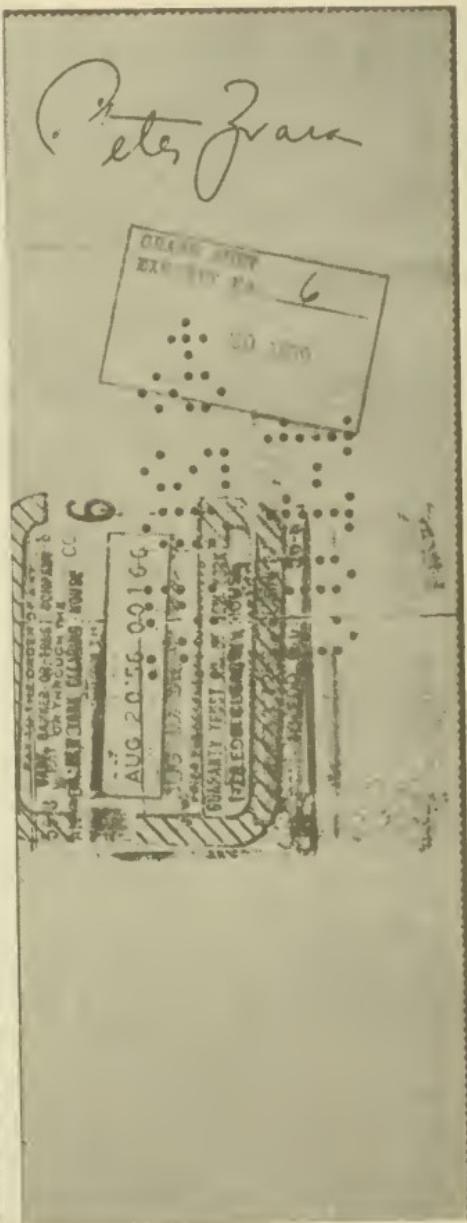


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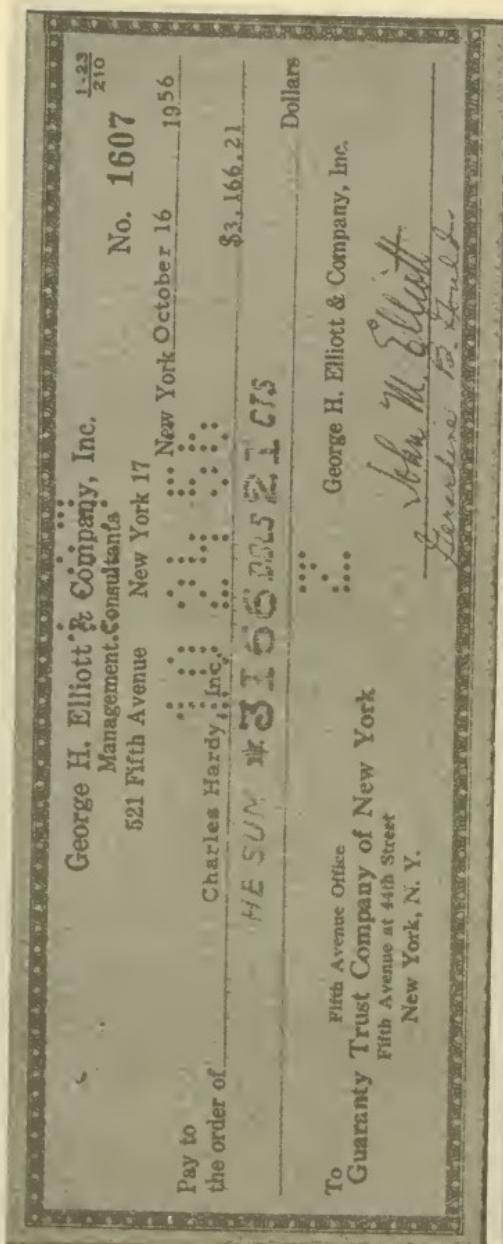


EXHIBIT NO. 5B

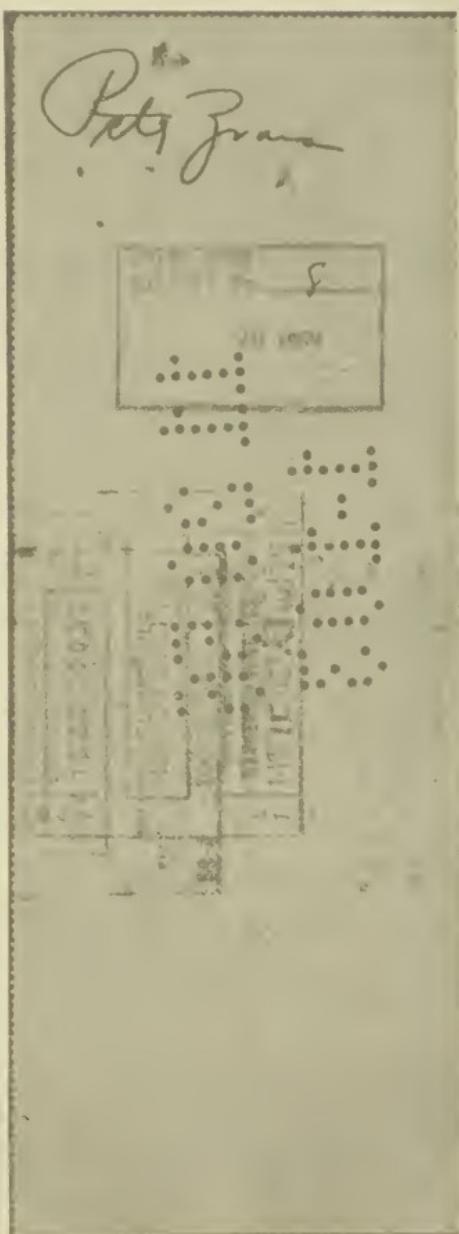


EXHIBIT No. 6A

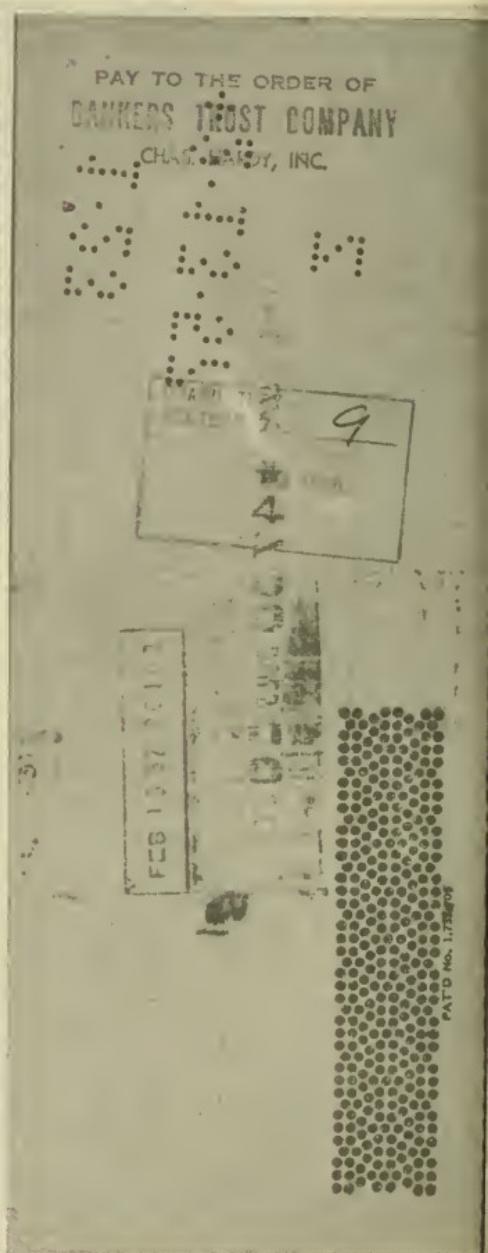
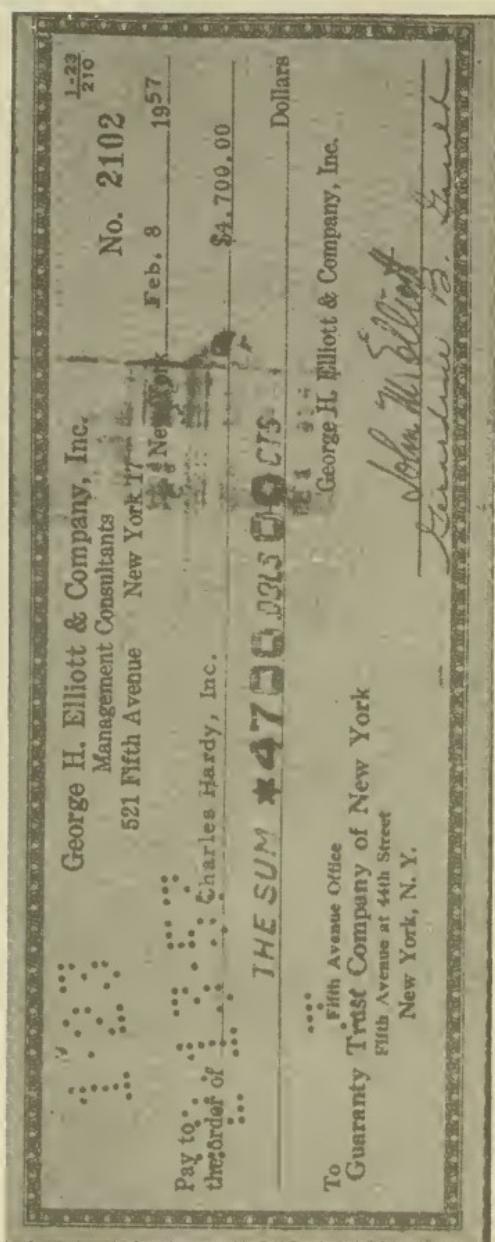


EXHIBIT No. 6B

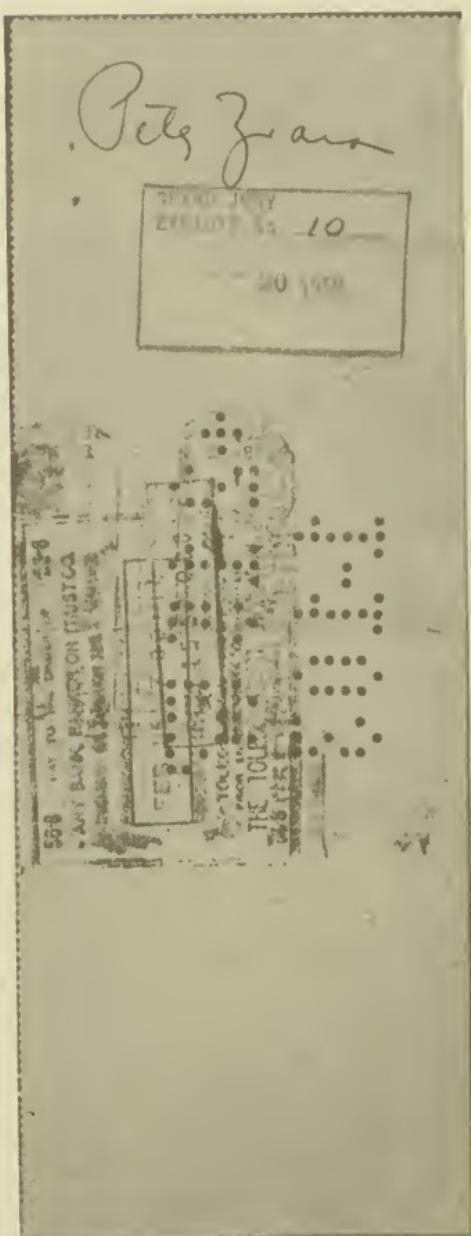


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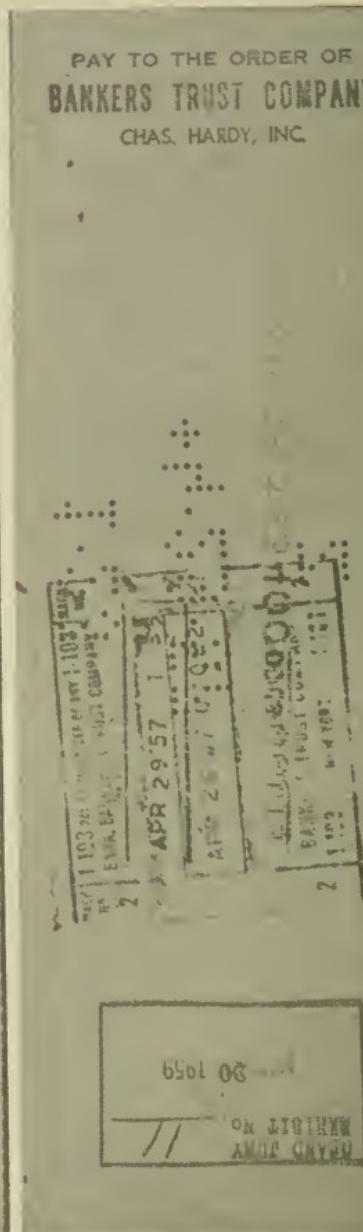
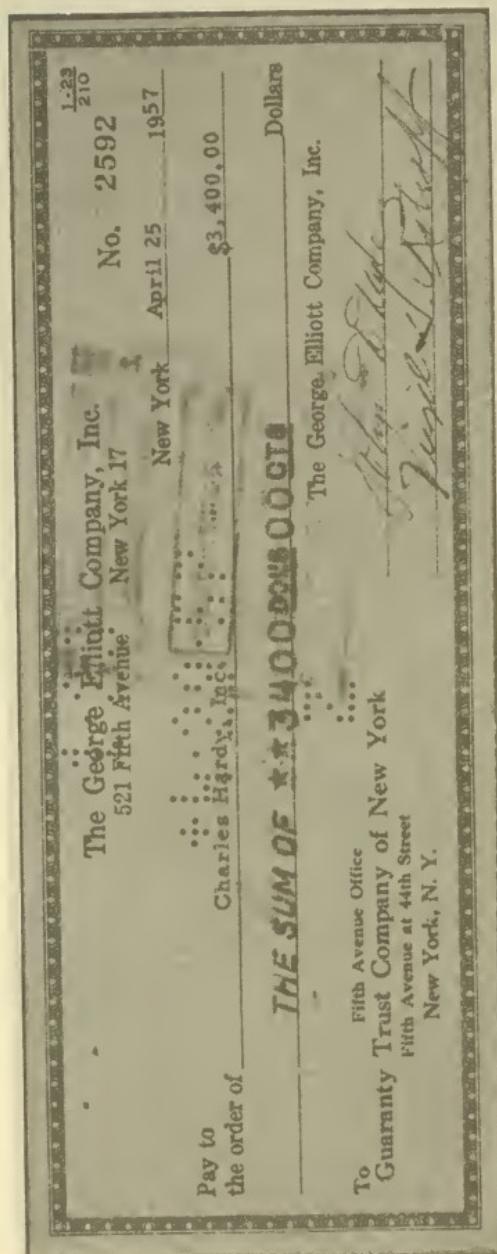


EXHIBIT NO. 7B



EXHIBIT NO. 8A

The George Elliott Company, Inc.
521 Fifth Avenue New York 17
No. 2744
1-23
210
Pay to Charles Hardy
the order of
\$2,900.00

To
Guaranty Trust Company of New York
Fifth Avenue at 44th Street
New York, N. Y.

Dollars

The George Elliott Company, Inc.

John H. Sage
Lindbergh, B. G.

PAY TO THE ORDER OF
BANKERS TRUST COMPANY

CHAS. HARDY, INC.

GRAND JURY
EXHIBIT NO.

20 1959

EXHIBIT NO. 8B

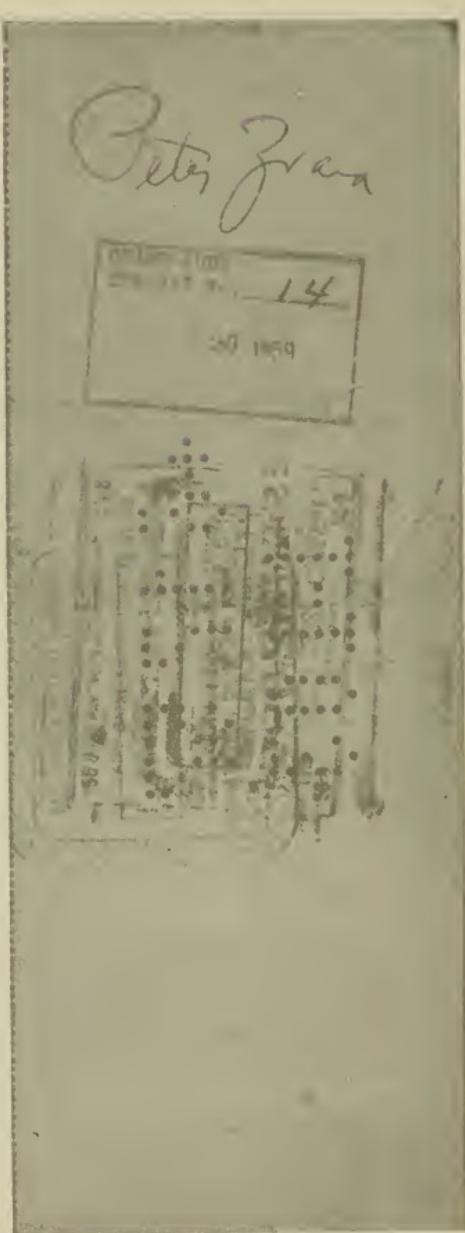


EXHIBIT NO. 9A

The George Elliott Company, Inc.
521 Fifth Avenue New York 17
No. 2989 ¹⁻²²
New York Sept. 10 1957

Pay to Charles Hardy, Inc. \$3,500.00
the order of

THE SUM OF THREE THOUSAND FIFTY Dollars 00 CTS
Dollars

To Guaranty Trust Company of New York
Fifth Avenue at 44th Street
New York, N.Y.

The George Elliott Company, Inc.
Vigil H. Elliott

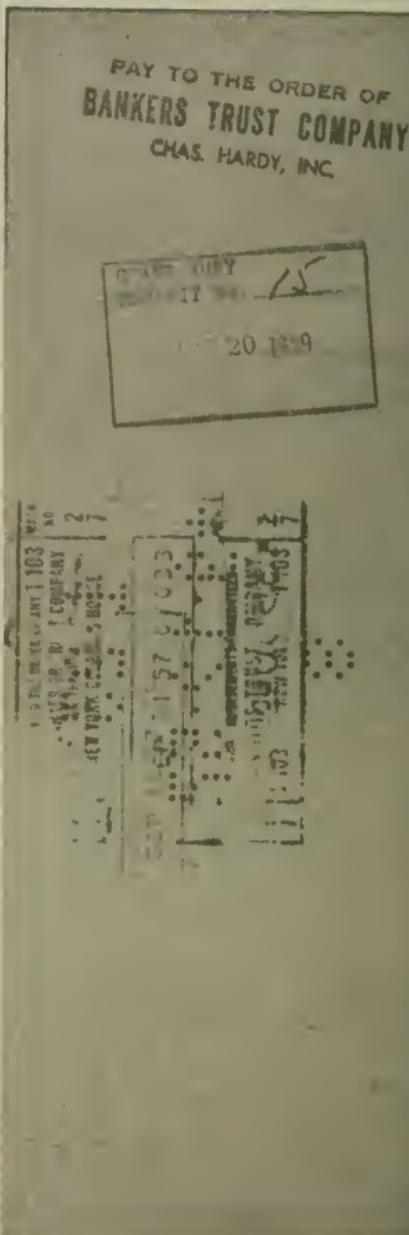


EXHIBIT NO. 9B

CHARLES HARDY, INC.
4903 LEXINGTON AVENUE
NO. 10731

NEW YORK 17, N. Y.
• • • • •

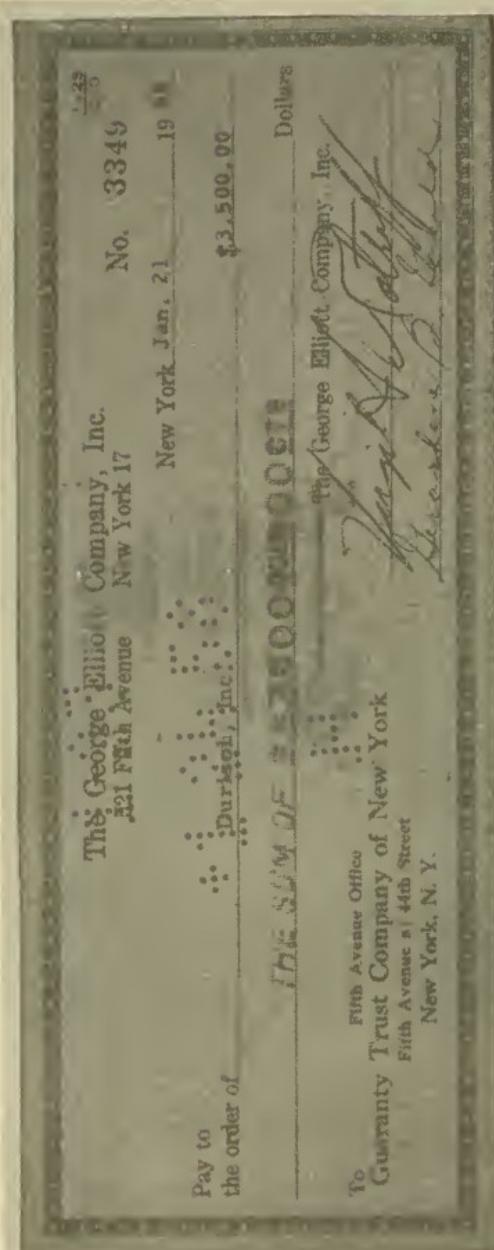
September 10
New York

THE SAVAR

卷之三

529 FIFTH AVENUE
NEW YORK, N.Y.

EXHIBIT No. 10A



IMPROPER ACTIVITIES IN THE LABOR FIELD

20401

EXHIBIT No. 10B



EXHIBIT No. 11A

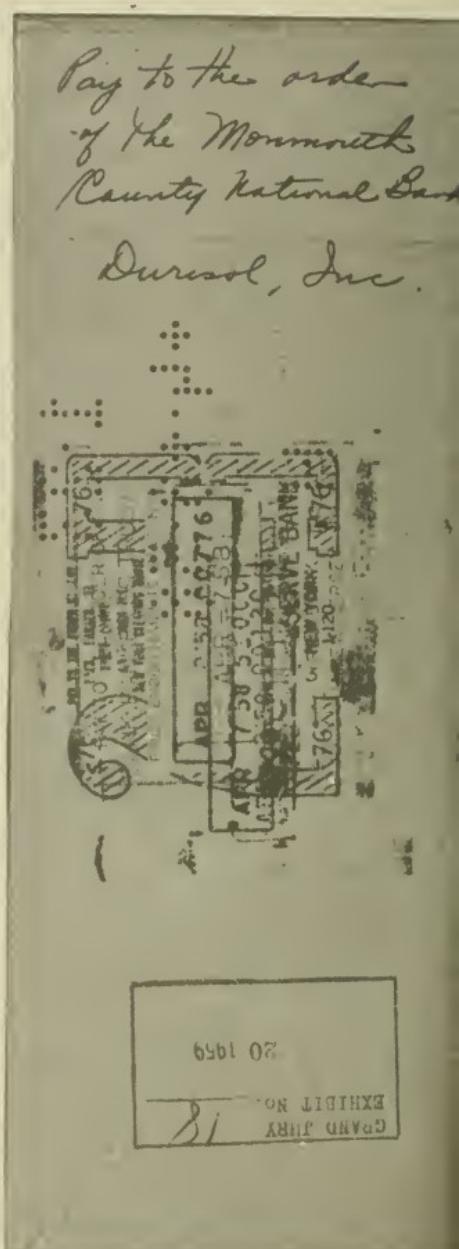
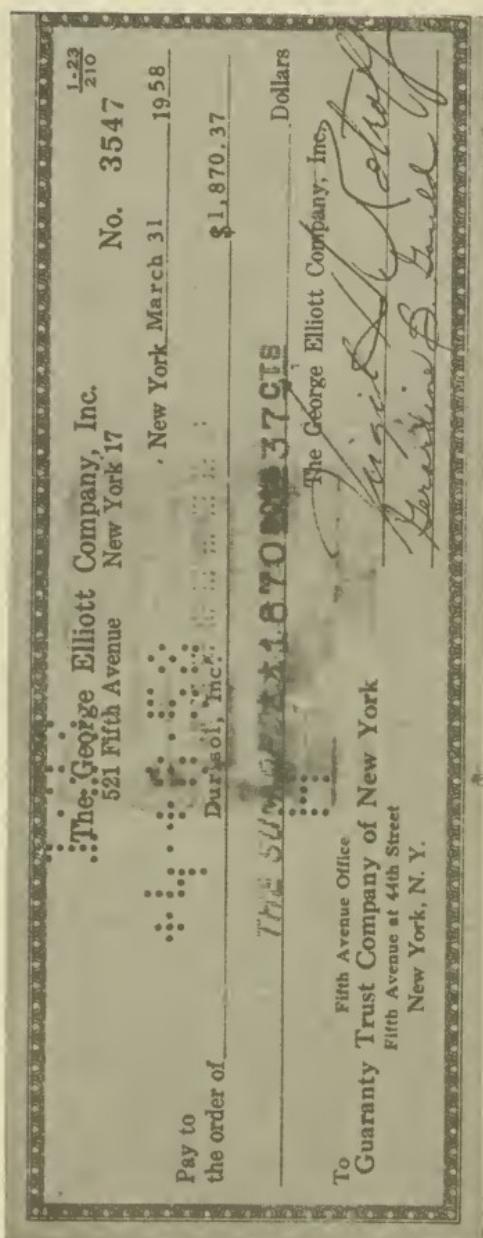


EXHIBIT NO. 11B

*1-22
210*

The George Elliott Company, Inc.
521 Fifth Avenue New York 17 No. 3549

Durisol, Inc. New York Mar. 31 1958

Pay to the order of \$1,900.00

THE SUM OF \$1,900.00 DOLLARS

George Elliott Company, Inc.
George Elliott
George P. Gould

To Guaranty Trust Company of New York
Fifth Avenue at 44th Street
New York, N.Y.

Durisol, Inc.
Pay to order of
The Monmouth County
National Bank
Durisol, Inc.

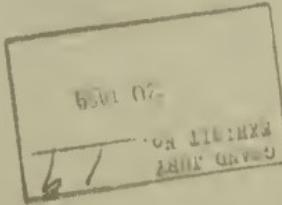
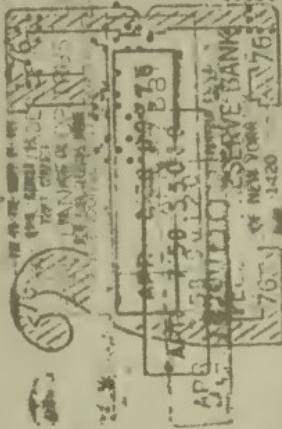


EXHIBIT NO. 11C



EXHIBIT No. 12A

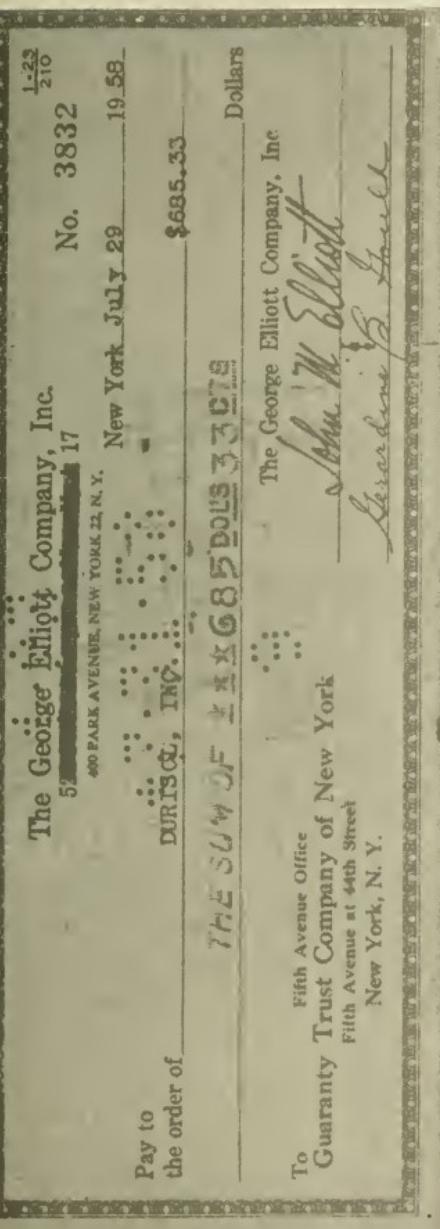


EXHIBIT No. 12B

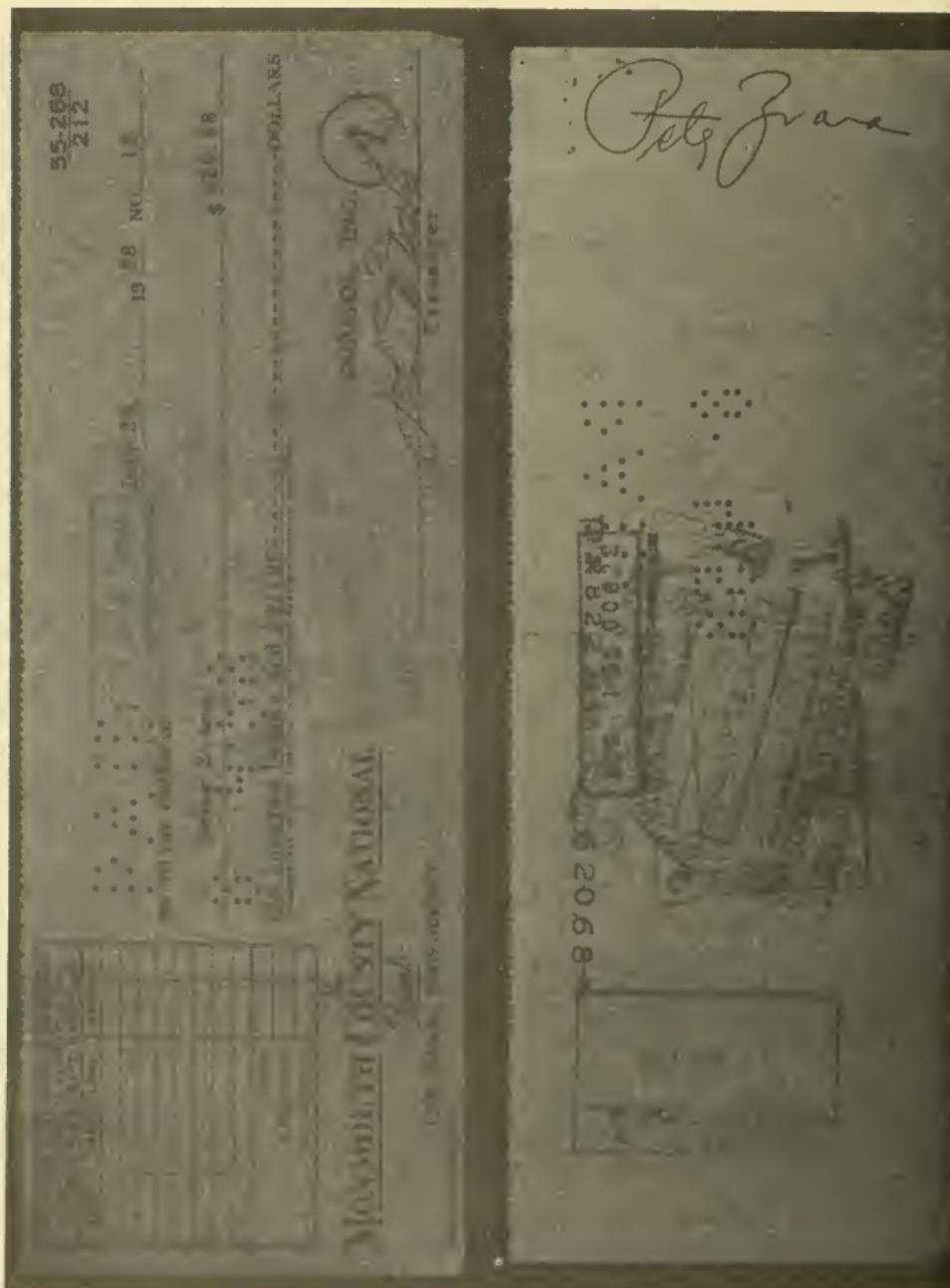
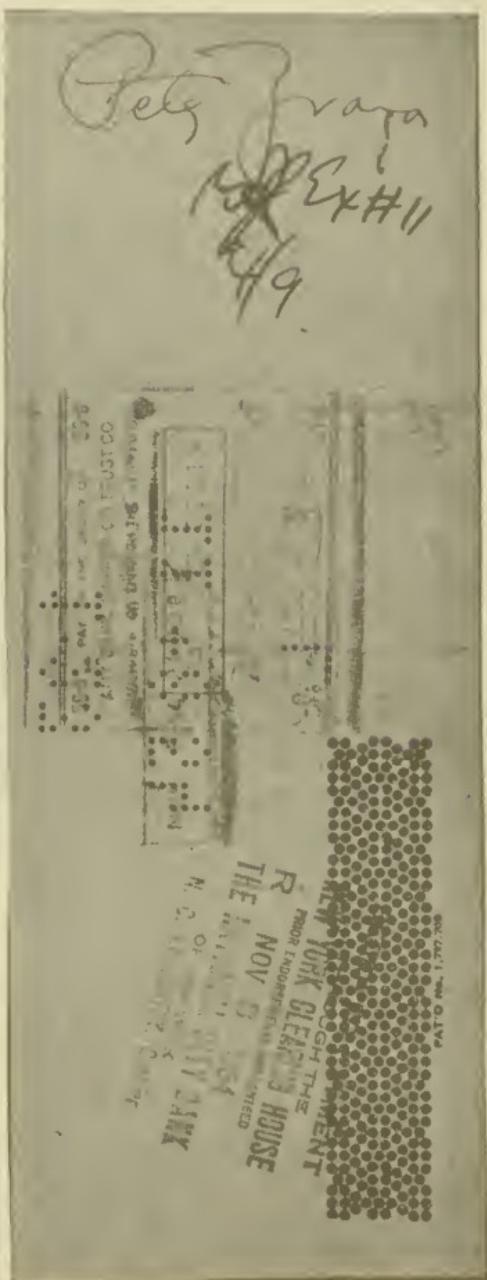


EXHIBIT NO. 13

George H. Elliott & Company Engineering Consultants		No. 9173
521 Fifth Avenue New York 17		
		New York October 31 1954
		\$2,377.50
Pay to Peter Zvara		
the order of		
		Two Thousand Three Hundred Seventy-Seven and 50/100 Dollars

		George H. Elliott & Company
		<i>George H. Elliott</i>
To Guaranty Trust Company of New York		
		Fifth Avenue Office
		Fifth Avenue at 44th Street
		New York, N.Y.



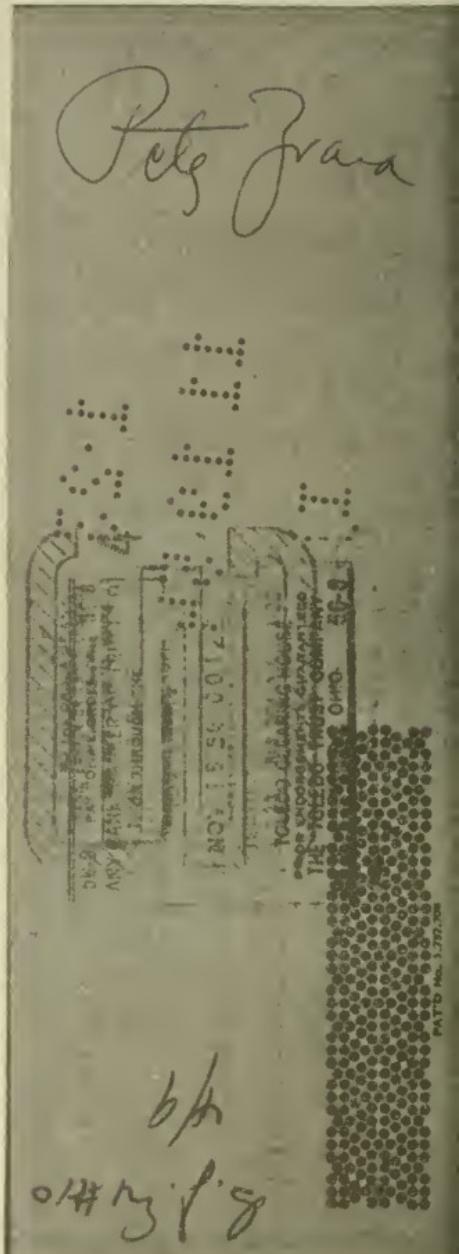
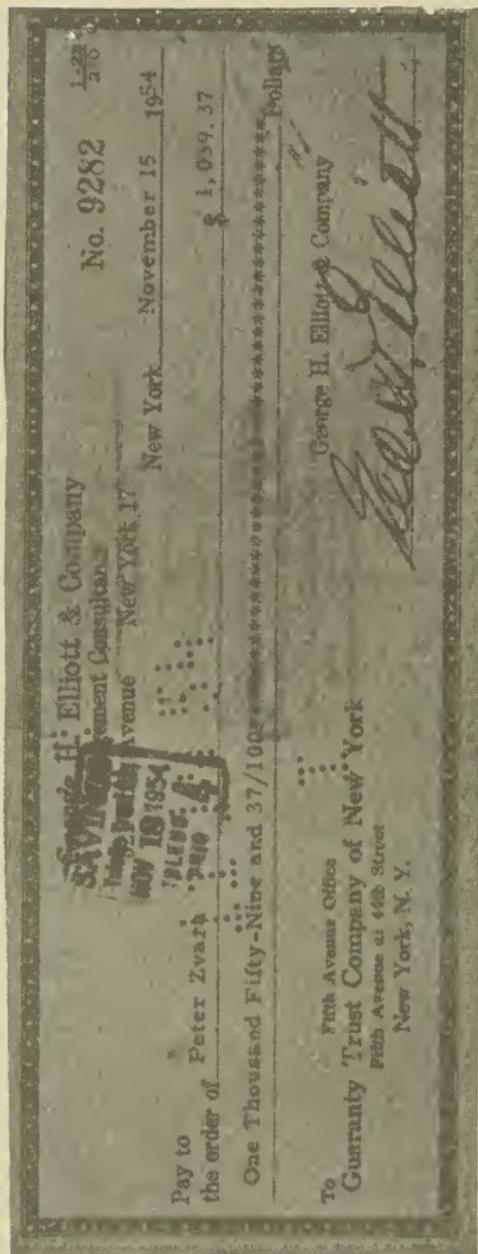


EXHIBIT NO. 15

**WESTERN UNION
TELEGRAM**

CTB004

CT TOB004 PD=TOLEDO OHIO 22 905AM=

ROBERT MANUEL REPORT DELIVERY= 16 JUN

ROOM 48G CAPITOL BLDG WASHDC=

TOLEDO NEWSPAPER CARRIED STORY THAT THE FILE OF THE
NEW YORKS GRAND JURY INVESTIGATION OF GOSSE AND ZVARA
BY ORDER OF THE COURT IS BEING SURRENDERED TO YOUR
COMMITTEE THAT THE CASE AGAINST ZVARA HAS BEEN CLOSED
THEREFORE IN THE INTEREST OF FAIR PLAY AND JUSTICE WE
FEEL WE MUST CANCEL APPOINTMENT FOR INFORMAL
CONFERENCE SET FOR TUESDAY JUNE 23 AT 200 PM IN YOUR

OFFICE IN WASHINGTON=

MARCUS L FRIEDMAN=

EXHIBIT No. 16

JOHN L. McCLELLAN, A.R.C., CHAIRMAN
 RAYMOND F. BROWN, JR., VICE CHAIRMAN
 JAMES P. ALLEN, JR., SECRETARY
 SAM J. KAVANAGH, JR., H. C.
 PAT MCNAMEE, MGR.

KENNETH F. KENNEDY, CHIEF COUNSEL

United States Senate

SELECT COMMITTEE ON
 IMPROPER ACTIVITIES IN THE LABOR
 OR MANAGEMENT FIELD
 (PURSUANT TO S. RES. 74, 80TH CONGRESS)

July 16, 1959

Mr. Joseph H. Rauh
 1631 K Street, N. W.
 Washington, D. C.

Dear Mr. Rauh:

With further reference to matters discussed in our telephone conversation this afternoon, I enclose the original of three unsigned subpoenas which I had directed be prepared for Mr. William Bowman, Mr. Richard T. Gosser, and a subpoena duces tecum for Mr. Gosser as Vice President of the U.A.W. When these were sent over for my signature, Mr. Kenneth O'Donnell of the staff reminded me there had been an understanding that you, as attorney for the union, and the union would provide any witness among union officials and representatives and produce any documents that we desired upon request, and without a subpoena.

These unsigned subpoenas, therefore, will serve as Committee requests to you for the presence of the witnesses named and the production of the documents described in said unsigned subpoena duces tecum.

The documents are to be produced at your earliest convenience. The presence of the witnesses is called for on July 27. If we find that it is desirable to postpone the hearing of the witnesses until a few days later, we will endeavor to advise you in time so that they can be notified and governed accordingly.

Please acknowledge, and thank you for your cooperation.

Sincerely yours,

John L. McClellan

JL:Mc:hb

Enc.

EXHIBIT NO. 16A

Exhibit No. 16

UNITED STATES OF AMERICA

Congress of the United States

L 7941

To RICHARD T. GOSSA

DETROIT, MICHIGAN

, Greeting:

Pursuant to lawful authority, YOU ARE HEREBY COMMANDED to appear before the SENATE SELECT Committee on IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD of the Senate of the United States, on August 11, 1969, at 10:00 o'clock a. m., at their committee room 101, Senate Office Building, Washington, D. C., then and there to testify what you may know relative to the subject matters under consideration by said committee.

If you fail not, as you will answer your default under the pains and penalties in such cases made and provided.

To _____
to serve and return.

Given under my hand, by order of the committee, this
7th day of August, in the year of our
Lord one thousand nine hundred and fifty-nine.

J. W. McCallan
Chairman, Senate Select Committee on Improper Activities
in the Labor or Management Field.

EXHIBIT No. 16B

UNITED STATES OF AMERICA

Congress of the United States

L-8015

To _____ Richard T. Gosser, Vice-President, International Union,
United Automobile, Aircraft, & Agricultural Implement Workers of America,
UAW-AFL-CIO, Toledo, Ohio _____, Greeting:

Pursuant to lawful authority, YOU ARE HEREBY COMMANDED to appear before the SENATE SELECT Committee on IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD of the Senate of the United States, on _____ forthwith _____, 196_____, at _____ o'clock m., at their committee room 101, Senate Office Building, Washington, D.C., then and there to testify what you may know relative to the subject matters under consideration by said committee, and to produce all records of receipts and disbursements of any and all "Flower Funds," including bank deposit slips, bank statements, receipts, names of sources, contributors, and amounts contributed by each, canceled checks, journals, ledgers, books of original entry, memoranda, correspondence and all other papers and documents pertaining to any and all "Flower Funds" under your control and/or jurisdiction from the years 1940 to date, inclusive, and retained copies of all Federal income tax returns (Forms 1040) for the years (1945 to 1958) and retained copies of all partnership and corporate Federal income tax returns of Colonial Hardware from 1945 to 1952.

If you fail not, as you will answer your default under the pains and penalties in such cases made and provided.

To _____
to serve and return.

Given under my hand, by order of the committee, this
16th day of July _____, in the year of our
Lord one thousand nine hundred and fifty-nine.

Chairman, Senate Select Committee on Improper Activities
in the Labor or Management Field.

APPENDIX II

STATEMENT OF ROBERT MARTIN, TOLEDO SCALE UNIT, LOCAL 12; HAROLD BILLHEIMER, TOLEDO SCALE UNIT, LOCAL 12; EDWARD DUCK, AUTO-LITE UNIT, LOCAL 12; L. SPEIDELL, LOCAL 12; PAUL CRUNKILTON, PRESIDENT, LOCAL 14; L. L. RUSWINKLE; H. PRICE; CARL W. SCHICK; RAY CLINE; AND JOHNNY MANOR MADE TO UAW-CIO SPECIAL TOLEDO INVESTIGATING COMMITTEE; EDWARD COTE, INTERNATIONAL EXECUTIVE BOARD MEMBER; AND MICHAEL LACEY, INTERNATIONAL EXECUTIVE BOARD MEMBER, THURSDAY, JUNE 1, 1950, COMMODORE PERRY HOTEL, TOLEDO, OHIO

Brother DUCK. My name is Edward Duck and I have been the assistant director of the National Auto-Lite Department of the UAW. I resigned on December 18, 1948, for the third time within that year, and that time I made it final.

I would like to say at the outset here that we are in agreement to notarize any and all testimony that we give you here today, after it has been taken down and reprinted and so forth, and I also understand that we are to receive a copy of the transcript of today's proceedings.

Now frankly our position in this matter is simply this:

We feel that we are not bad union members but we are good union members in intending to keep this matter within the union. And I want to say to the committee now and to the international executive board which will later read this transcript, that the choice is up to all of us people in this room and to the board whether we clean our own dirty linen within our own group, or whether we allow the Toledo Blade and attorneys and courts to do it for us.

There has been a lot of criticism because of newspaper publicity. Well, I would say that what is sauce for the goose is sauce for the gander, and it is just as fair for us to take to the radio or the newspapers as it is for Brother Gosser and his machine to issue statements to the newspapers and to go on the radio night after night after night.

There have been certain statements which Brother Gosser has made on the radio with which we are in complete disagreement. We know these statements to be anything but factual. I would like to cite a few of them right off the bat here.

He spoke the other night of the democracy which prevailed at that meeting in Scott High School Friday night. I don't know if Brother Cote was in the meeting from start to finish. I do know that Brother Mazey left it before it was finished.

Director COTE. I left when he left.

Brother DUCK. But Brother Cote, you witnessed my attempt to get the microphone, and just about all I was permitted to say was that it really didn't matter who was able to muster the largest force there that evening because that didn't really settle anything at all permanently, and that we had not discussed the real issue.

Brother Cote, you remember that I got just that far and I was called out of order and I was promised that I could bring up this particular subject under new business.

Well, just as soon as they had finished reading the recommendations of the local 12 executive board, it was moved that the meeting be adjourned, and there was no new business and, as a matter of fact, I was willing to bet that there wouldn't be any new business.

And yet Brother Gosser could say on the radio that there were about 2,000 people at the meeting and 300 or 400 were opposed to him, which you know was not the case. We were pretty evenly divided, and it was anything but a democratic meeting, and everyone did not have the right to say what was in their mind that evening.

Further, I think you witnessed the necessity of Brother Gosser having to tell his man, Charles Gross—I don't know what his position is; there's been a lot of questioning who pays him—that if he didn't restrain himself, that the sergeant at arms would restrain him and put him out of the hall.

I believe, Brother Cote, you also heard Brother Gosser make the statement that those who—I don't know whether I would say opposed him or interfered with his progress, or just exactly what his words were, but anyway, they would feel the full wrath and fury of this union.

Sitting over here on my right is one man who did feel the full wrath and fury of what Brother Gosser terms "this union." I think when he says "this union" he means his forces.

Brother Billheimer was set upon and brutally beaten without provocation. He was punched when he still had his hands in his pocket, so I understand—he can tell you better about that than I can—by Orville Beemer, who works now, I understand, under Walter Reuther's wing, but actually has been a Gosser man for years.

After Beemer had gotten done knocking Harold down three or four times, picking him up and knocking him down again, his friends turned him around so he would see Carl Schick approaching the TIUC Hall that evening a few minutes later. Immediately he began beating Carl Schick, after pushing him a little while, and, as you know, Schick is about 5 foot 1 and Brother Beemer, with all justice to him, is a pretty good boy with his fists, having had previous pugilistic ability.

I believe that's the same Brother Beemer that I am told attempted to throw a lighted cigarette in Paul Crunkilton's face in order to pick a fight the night of the election of local 14.

Now I have no particular quarrel with Brother Beemer, but I can tell you that I think that Brother Gosser, throughout the years, has acquiesced in exactly that kind of behavior. I have heard him, personally heard him make the instructions to Brother Beemer that there was a person here or there that he should go out and take care of—either put him in line or put him in the hospital. I believe that he made that statement with reference to some of his political opponents in Lima, Ohio, if I am not mistaken.

Well, so much for that, but I think we have reached a pretty poor stage in this union when we can't sit down at a table or in a room or in a meeting hall and discuss the things that we might be in disagreement about.

It is common knowledge in this union that Brother Gosser has ruled Toledo with an iron fist. I know a lot of things that would probably be better not said in this particular meeting, and besides it would be what you might call petty, perhaps, but we have reached the point here in Toledo where if it isn't stopped it would result in nothing but two armed camps. Blood would certainly flow in the streets.

(Brothers Ruswinkle, Price, Schick, Cline, and Manor enter the room.)

Brother DUCK (continuing). Brother Beemer's second victim has just walked in. I might as well continue on that point in a moment.

Director COTE. How are you?

Brother SCHICK. I'm recovering. I'm Schick. You're Cote?

Director COTE. That's right.

Brother SCHICK. Where is the other brother that was to be here?

Director COTE. Brother Lacey.

Brother SCHICK. This is Brother Price and Brother Cline.

Director COTE. This is Brother Lacey.

Brother SCHICK. Hello there. This is Brother Johnny Manor and Brother Ruswinkle. These boys have come down to see that nothing happens to me. I never was before where I had to worry about getting hurt or not, and I am sorry that things in the UAW have got to the point where I feel that I have to have protection.

Brother DUCK. Well, we don't intend to do anything which is going to cause that blood to run in the streets, and we feel that we are willing to put our hopes in the hands of this committee. We do not think that our problem should be solved by making a nationwide tour of all the UAW locals or sending them literature or listing these charges, which we now give you, in the newspapers, but we do feel that certainly in this democratic union that we have all talked about and believed in for all these years, that the international executive board, when we present the evidence to them, should certainly take the action which is called for by virtue of this evidence.

Now I don't want to talk about this too much, because I know it will only make Carl nervous. I didn't see what took place. All I know is what they told me took place Monday night at the TIUC, but I have been told that if it weren't for one courageous policeman there is a very good chance that Carl Schick would not be alive today. I think that you people ought to bear that in mind, because it is a very serious situation. It was a week ago Monday night.

I can further say with a good degree of assurance that possibly all of the rebellious units, as they are called, do not intend to hold their meetings in an atmosphere of terrorism, and by that I mean they do not intend to attend meetings at which this stuff can take place.

For that reason, I think that you can see the necessity of us asking your committee here and now to recognize that we have already charged Walter Reuther

personally through the chairman and secretary of our group, myself and Brother Billheimer, a week ago Saturday, with the responsibility of using the avenue which is open to him in the UAW constitution of preferring charges by having five international executive board members take the initiative and do this themselves after we have presented through you people the evidence which is necessary for them to do that—and when I say "preferring charges," I mean against Brother Gosser.

And further than that, we demand—I'll say request—a complete cleanup of the situation as it exists here in Toledo.

Failing to take this action, it is my firm conviction that the courts will beat us to it and they will wash that dirty linen of which I spoke.

The job is ours. It is up to us to do it, and we are here to give you the evidence.

Frankly, we are a little bit displeased with our previous experience in regard to the committee's last trip here when Brother Mazey was here, but we won't talk about that, because we don't even want to antagonize Brother Mazey.

Now Brother Billheimer will tell you people some of the things which we feel should go on the record and of which the board should be apprised, and in fact all of us here who wish to talk, hope to get a chance to bring these facts out to you before we adjourn today.

Brother BILLHEIMER. My name is Harold Billheimer. I am chairman of the Toledo scale unit and executive board member of local 12.

Much of what I have to say, I suppose would be probably a rehash of what I said at the previous meeting with Brother Cote and Brother Mazey, and perhaps not relevant to the more serious charges when I say that we talked about the utter lack of democracy that exists in local 12 today and the futility of attempting to assert any independence whatsoever, either on a shop basis or as an executive board member. We have no independence, no democracy, very little freedom of action, as you can very well see from the beatings that Carl and I got a week ago Monday night for attempting to speak out against what we think is worse than dishonesty, worse than thievery. You lock your door against a thief. You trust your union.

Well, I have been on the executive board; I have understood from the start I had to vote as I was told to vote or I wouldn't be on the executive board any more.

Of course, that's probably a minor thing that is more or less political, but from the time, from the inception of the Colonial Hardware Store, I had serious doubts about the honesty and the integrity of our structure here in Toledo. I was told that the Colonial Hardware was OK because any man had a right to go into a business and sell stuff to his union if he sold it as cheap or cheaper than they could buy it anywhere else, and perhaps that is so, but I still feel that it is very poor ethics. I think that there can be sufficient evidence produced to prove that that was not the case.

The summer camp, of course it was a humanitarian idea, and which none of us objected to in its inception, which we were all very enthusiastic about. It was started along about the same time Colonial Hardware was started.

I would say, as I told the committee the last time, if you wished to go up to that summer camp and take a look at the storeroom underneath the recreation hall there, the messhall, you will probably see equipment up there that you wouldn't even find in the ordinary hardware store.

In fact, in the boys' restroom toilets, their outside toilets there, you will find chrome-plated holders for the toilet paper. Copper pipe, the pipe that was laid. The most expensive equipment.

Of course, that in itself didn't prove anything, that there was anything wrong, until Randy Gray showed me bills, which I am quite sure he showed to Emil Mazey—he tells me he has turned it all over to him—where there were very definite deliberate overcharges from the Colonial Hardware Store.

He showed me also that there could be nothing bought for the camps, the farms, or for the local until it was approved first by Brother Gosser, and had to be bought where and when and how he insisted.

We talked this thing over, a lot of us, among ourselves. We never took any action on it, because we didn't know what action to take, until he became so bad that he ordered all of the machinery out of the dues office. The local was in such poor financial shape that checks were bouncing right and left on Gray. I am sure that is common knowledge with Mr. Mazey also, that our finances were at such a low ebb that they even gave up some of the simplest projects that we had anticipated for our members there, on the grounds that it was too costly and they couldn't afford it.

But there was no expenditure too great to make for the farms and the summer camp.

Gray also showed me letters from, or one letter I should say specifically, from Brother Gosser ordering him to sign checks in blank and send the checks up to his girls in blank. They would fill them in as they needed them. Which, incidentally, was after Brother Gosser had seized the books of the farms and the camp and the general store at the lake and taken them upstairs. That they should send these checks up blank. The girls would fill them in as they needed them. They shouldn't worry about where the money was going, because he would know where it was going.

He also showed me a personal insurance check bill of Gosser that he had attempted to have the local pay, and I have since found out that the bill was for—that the insurance was for a building on the camp or farm that had already been insured by the building corporation and Gosser was having it reinsured for \$7,000 in his name, and there was I think a matter of something like \$300 that he had sent down the bill for that the local should pay.

Now that and the slot machines. I'd like to talk about that just a minute. Some time ago when the local 12 bar was opened, we purchased with local 12 money, local 12 funds, about I think 12 or 15 slot machines. They were placed in the bar and were to be used to help build the local 12 treasury.

Director COTE. Can I ask something, because we got into that before. On the question of the slot machines, did the local buy them, or did they buy them through the building corporation? Do you know?

Brother BILLHEIMER. I understand from Gray's testimony in his deposition that they were brought by the local, and there is something there that I think should be investigated a little closer, is the fact that no individual in Toledo has ever been able to buy slot machines. You could get them. You could have them put in your place, but the gangsters pretty well controlled them.

Gosser was able to go out and buy them. Maybe he could explain how he could go out and buy them. I would like to know myself, but definitely he used local 12 money to buy them, because the check was issued on local 12 funds.

Those slot machines were put in the bar, and from the first day they were put in until the day they were taken out there was quite an enormous revenue taken in. I would like to know the amount of thousands of dollars myself. I have never been able to find out, but Gray produced evidence to me, and also produced it in his deposition, that half of that money had gone directly to the international office to Brother Gosser—only half of it had ever gone into the local 12 treasury.

I don't know what you gentlemen call crooked, but definitely to me that isn't honest. If that can be countenanced, then there is more things wrong with this union than I would like to think.

(Phone call in adjoining room for Edward Duck.)

Brother BILLHEIMER (continuing). I don't think I have much more to say on this particular matter. There's a lot of documentary evidence, I understand, been turned over to Brother Mazey by Brother Gray when this thing first began to boil down here and Brother Gray had his breakdown. He had his breakdown because he realized that he had been forced into doing things that were not only detrimental to the unit but also against his principles, and he suffered a nervous breakdown as a consequence of it, and Brother Gosser then called him to Detroit when Gray started getting his back up a little bit and saying he wouldn't sign the checks any more, he wouldn't OK these bills from the Colonial Hardware, and other bills that he thought that the local should not pay. He called him down there and told him that he was going to lay the whole thing on his shoulders, that he was the bonded officer, that his hands were clean, that we was going to show Gray where he got off at, too.

So Gray came back to town and with my help he tried to make a fight of it on the local 12 executive board. We failed miserably. They have a majority there that is just as tough to beat as one of their local 12 meetings where they run their Overland crowd in.

Consequently, we said that unless the situation was straightened out we were going to withdraw our unit from the local. If we couldn't have a clean local, we wanted to be out of it and have one of our own.

They called us in, then, and told us that there was nothing to this stuff that Gray was trying to tell us, that it was all just a lot of hogwash, and that Gray had everything so badly screwed up that no one could straighten it out and he wouldn't give them a financial report; he was the only fellow in the local that knew the finances, and wouldn't give it.

So we went that night to Joe Ossanna, who was the auditor that you people had had in there on the local 12 books I understand for some months, and we asked

him what the conditions were in local 12 and whether it was true or not that Gray could give a financial report and wouldn't give a financial report.

He very definitely told us that Gray could not give a financial report because, he said: "I could not even give one. Part of the books are in Gosser's office and his secretary wouldn't even turn them over to us on our request until Mr. Gosser OK'd it. We haven't been able to get them yet."

So with that, why that was just before I think the meeting with the first Mazey group, you and Brother Mazey. I don't think I can go any further except that I might add one thing that Brother Gosser did say to myself and the committee in the presence of the entire committee that the first year the Colonial Hardware was in operation, he made \$20,000 profit. We have reason to believe it was much more, but that's a pretty good profit for a little hardware store.

I think that's all I have to say right now.

Director COTE. Could I ask this, just as an interruption: Has your unit purchased material from the hardware store? How does that work?

Brother BILLHEIMER. No. Some units I understand have. I don't know that they have. Our unit has never purchased anything from there. The purchases that are made from the local and for the farms and for the camps, anything about the local building, paint, nails, any sort of supplies that might come up, are all purchased through the Colonial.

There used to be a time when anything over \$25 there was purchased by bid, but that is a thing of the past with the advent of the Colonial Hardware. There are no more bids. At least if there were, they never came before the executive board.

Director LACEY. I would like to ask a question. I stated when we opened this hearing that we are looking for something substantial, something we could nail down. Now you have made two specific charges here that if they are true, I'd say you fellows are in a very good position to prefer charges within the framework of the constitution. One of them, you made a statement that the financial secretary knew of overcharges being made at the hardware store. Now if that is true, and the financial secretary is still a member of the union, don't you think that this now is the proper time that he should prefer charges in writing and produce the evidence that overcharges were made?

Another thing is on the slot machines. The same is true on the slot machines. If there is any evidence that an officer of the local union or a member of the international union purchased slot machines with funds from local 12 and later kept part of the money from the slot machines, certainly I would say it would fall within the provisions of the constitution that forbids activities that would be, I'd say, contrary to good union principles, or conducting themselves as I'd say not for the welfare of our people.

Why can't somebody then, some of this group, file written charges and give our people a chance to go on it?

Now you may laugh that it can't be done. It can be done. You can take it to your local union. They will turn you down. Sure, they have a majority. They will turn you down, and if they do that, then you can send the charges directly to the headquarters at Detroit, and a committee definitely will hear the charges, and the committee definitely can recommend action to the board.

Eventually, that's what we have got to do. We have got to straighten this thing up within our own family.

Brother BILLHEIMER. Personally after the treatment I received at the last meeting, I don't feel like going to any meeting to prefer charges or anything else. I know damn well what would happen next time.

Director LACEY. I'd hate to feel that that would happen inside our union. We have had some tough times in our union before. We thought we were all over this now.

However, again I say the thing you state here may be all true. However, unless we have some way of substantiating it and some way of moving in on it, where the entire board can have a hearing on it, it is going to be tough to convict people on hearsay. I am only raising that question, hoping that somebody will come out with something concrete, and somebody will say, "Here it is." Those are the things that I am concerned about, see. Yes?

Brother DUCK. Well, Brother Lacey, first of all, I have not been aware that if your local union gives a man a clean bill of health on charges, that you then can take it directly to the international executive board. As I understood the constitution, and as I understand it now, when a man is acquitted anywhere along the line, he is acquitted.

Now, what is the matter with us pointing to the constitution of the UAW where it says charges may be preferred in either of two ways, and the selecting the method by which five board members being appraised of these things which are wrong, can they themselves prefer the charges? We don't want any more of these fights and we know what would happen. You see, what you don't know is this:

Brother Gosser, even since the beatings, told the Spicer committee that he had men that he couldn't control. Brother Gosser told my brother, privately, that he had men that he couldn't control.

And, by the way, Brother Cote, you were at Scott High School when you heard Brother Gosser say that my own brother owed the flower fund over a hundred dollars, and he was holding up a note. Are you aware of the fact that that note was not made out to my brother, but to Ray Wale, Overland committeeman, who borrowed the money from the flower committee and in turn loaned it to my brother? The note didn't even have my brother's name on it.

And Brother Gosser neglected to say that my brother had paid back \$100 of that money, and my brother went up to his office later and saw him privately all alone, just the two of them, and Dick said, "Well, Bill, I'm sorry. I will give you a public retraction if you want it." And Bill said, "No; you have given me too much publicity on the thing already."

And in the course of the conversation Brother Gosser let it be known again that he couldn't be responsible for the violence which his people did. He couldn't control them.

I read in today's Blade where he has never made a statement encouraging violence. You, Brother Cote, were at the meeting Friday when he told how he had said that if Randolph Gray cussed at the office girls, that he would throw Brother Gray through the door or out the window. This business of throwing people through doors and out the windows is just as commonplace as his profanity is in his language, and I am here to tell you that I have heard Brother Gosser speak about having people beat up. I am here to tell you that when I went to the Auto-Lite unit meetings carrying the ball for Brother Gosser, that he surrounded me with his Overland goons and he put his people right behind my political opposition in the meeting.

Well, it was all right then. I was working for him.

And by the way, before we get off of the point here, I think that you should see, if you haven't already seen a copy of last week's Toledo Union Journal where in a little box on the first page they boasted of what had happened to Carl Schick and they assured anyone else who would be inconvenienced because of contract negotiations or previous engagements, in the event that they were beaten up, would be shown more consideration—as to the time, that is.

Why, Brother Beemer was a hero among his friends after those beatings, and my friends could come in and tell you that it was common talk up at the CIO club, or at the TIUC meeting, rather. No the CIO club, the TIUC meeting, that if I had not been in law school that night that I would have gotten it either in place or together with Schick and Billheimer, and also it was common talk that if they would have gotten me. I wouldn't have walked away, that I would have been in the hospital for sure.

Further than that, Brother Madrzykowski boasted to the Spicer committee as they were leaving the meeting with Brother Gosser: "I understand that Carl Schick and Billheimer should consider themselves fortunate, because," as he put it, and I quote: "Over in my end of town, when a guy gets beat up he stays in the hospital for 4 or 5 months." We could go back to cite some of their pugilistic conquests, including Madrzykowski.

Brother RUSWINKLE. I want you to go ahead and tell them what Gosser himself told Harvey Rabideau.

Brother DUCK. When we met yesterday with this committee from Ford Local 600, Brother Robert Burkhardt brought out the fact that in this meeting with the Spicer committee, Gosser had looked at Harvey Rabideau, a rather slender, scholarly type of fellow who wears glasses and never bothers anybody physically, he says: "Brother Rabideau, a fellow was up in my office just the other day. He was just about your size, a little bit broader through the chest and shoulders and about 10 years younger than you, and he said to me: 'Brother Gosser, any time you want me to take care of one of those boys,' or words to that effect, 'just let me know.'" And then Brother Gosser hastens to assure us that he didn't believe in that kind of stuff. These veiled threats that he has persistently put out are not to be overlooked.

Furthermore, we have received rather reliable information that four hoodlums, two from Detroit and two from Youngstown, have come into our fair city within the last 120 hours I would say, and we have also received information that one Wilbur Hand who I understand was mixed up in the post office robbery in Toledo, has just recently been put on Brother Gosser's payroll. Now whether they are paying him out of the flower fund, out of local 12, out of the international, or what, I certainly couldn't say, because even the people that work for Gosser sometimes don't know who they are working for.

But I cite these things to you so that you will know that the terrorism which his attorney, Mr. Lamb, said that he suspected would occur, might very well occur, but it will not be our fault.

We have no goons. We have not committed any act of violence. Carl Schick never even swung back. Billheimer didn't even put up a fight with Beemer. The best he could do would be to try to get away.

Director LACEY. Well, my reason for suggesting there that charges would be preferred by your people is the fact that they are always more effective if they are preferred by people in the immediate vicinity or in the local if possible. I know that it is possible to present them the other way also, prefer them the other way also. I have always found though it was more effective and that in case the decision went later on to the convention on some matters of this kind, that it is always more impressive.

However, as I said before, both sides will be weighed by the executive board in their decision on the evidence that you are presenting here today.

Brother DUCK. Well, Brother Lacey, let me present this: Would it be all right with you if some of these people, including myself, would sign our names to this testimony which we are giving, when it is completed and typed up, and notarized, and let it be understood that this testimony is our form of filing charges against Brother Gosser and that we are giving it forthwith to the international executive board, specifically a copy to Emil Maxey and to Walter Reuther, and that this is our method of persuading the board to take this action on charges, and they may consider these our charges which are embodied in this testimony?

Director LACEY. Well, undoubtedly the board will give that consideration.

Brother LLOYD SPEIDELL. You fellows are talking the constitution. You are behind the boat. We tried to get Reuther for 4 months. If you fellows don't get down here and appoint an administrator and clean this thing up, the courts are going to expose the whole damn thing. It's all down on paper.

Director LACEY. The courts have got it all now.

Brother DUCK. It hasn't been brought out.

Brother SPEIDELL. It hasn't been brought out, and if it is taken care of then the charges will be withdrawn. The idea of charges at the next convention is so much hokum.

Director LACEY. You can prefer charges any time. You can state them the way Brother Duck stated.

Brother SPEIDELL. I'd like to get a few items in here. I told them all before and it seems rather funny to tell them over again. I don't think I have got as many as I had before.

My name is Lloyd Speidell, and I had my seniority at Champion Spark Plug. I became a board member of local 12 in 1942, and in 1944 I became recording secretary of the local, and I stayed there on that job until April of 1948.

At this time my policies differed with Brother Gosser's and I was one man out of step, so I stepped out.

I made some notes here. They are not attached at all, but each one I can testify to. The first one doesn't bother us so much. It does bother us as much as it should put you guys on the spot. Maybe it is condoned in other regions, we don't know, but if it is condoned, it can't be condoned in the open, and that is padding the international payroll.

Now it has been common practice, as long as I can remember at the local when Dick had—I guess you guys are allowed so many representatives or something—

Director LACEY. Very definitely we are limited as to the amount of money we spend.

Brother SPEIDELL. And when there would be a vacancy on Dick's staff, and sometimes it seems to me when there wasn't a vacancy, Dick would take one of the local 12 guys off the local 12 payroll and put them on the international payroll.

Now two fellows—you can put their names down—is Harold Dean and Art Peth. You can tell in a hurry by checking your payroll up there just when they were on and off.

Now at no time has Harold Dean functioned as an international representative. At no time. Peth has, on and off. He has functioned as an international man when he was on the local payroll, but the thing is they both get from the local their regular pay from the local, \$99.03. What it is from the international, I don't know, but it is quite a bit more.

Brother DUCK. They would make \$140.50 a week minimum, I would say, and it would be broken down this way: \$80 per week salary—\$6.50 a day minimum when they are in town, \$8.50 a day maximum when they are out of town, for just their everyday expenses, as you know, which for 7 days a week makes \$45.50 a week. Plus 300 miles at 5 cents a mile driving allowance, which is \$15, which adds up to \$140.50, minimum.

Brother SPEIDELL. That's the difference in their pay. Now, the difference in the pay of an international man and the local man was kicked back into the flower fund.

It had to be kicked back. It was compulsory. It wasn't voluntary at all.

Now that's your fellows' money that is going into the flower fund. That's international.

Now if I were called on the stand, I couldn't testify that Dean and Peth got these checks and did this, but I can furnish my partner. I own a tavern, but I am in good standing in the union, paid up for the year, and my partner's name is Frank Molik. He was the first camp director up at the camp.

While he was camp director, he was on the international payroll. In other words, the international was paying the camp director, and the difference in his pay that he got from the international and what he would have gotten from the local was \$87 and some cents every 2 weeks. That was kicked back into the flower fund.

That he will verify, and he is willing to at any time.

Director COTE. You are saying that he was a representative and at the same time as being a representative, director of the camp?

Brother SPEIDELL. That's right. That was a full-time job.

Director COTE. I know, but was he recognized by the local union as director of the camp?

Brother SPEIDELL. Oh, absolutely.

Brother BILLHEIMER. Yes.

Director COTE. At the same time he was a representative?

Brother SPEIDELL. He was getting international pay. He was getting all his pay from the international and kicking the difference back between an international representative and a local 12 representative. That can be verified.

Director LACEY. You say he was getting full pay from the international or part?

Brother SPEIDELL. Full pay. Full pay, and so when Dean and Peth and those guys—and there have been other guys—when Dick put them on the international payroll, they got their full pay from the international and kicked the difference back into the flower fund.

Like I say, that doesn't bother us too much, but it should put you guys on the spot.

Now on the hardware, it is like Billheimer said. Dick was able to, and boasted, that he is the only man in these parts who was ever able to buy slot machines outright and operate them without—you know how they always operate. An operator owns them and you have a 60-40 or 50-50 arrangement.

Director LACY. Something like that.

Brother SPEIDELL. Well, there was no kickback on the slot machines. Dick bought them outright, and he even went further. By buying them outright would mean he wouldn't get service from an operator downtown, so he had to train his own servicemen. There were two fellows trained, but where they were trained, I don't know. Downtown some place. Their names were Arnold Schenofsky and Glenn Aufdenkampfe. Those two fellows were paid by the local to service the machines, which was OK, but as time went on they were hired by the hardware and paid by the local to work in the hardware, and they, as time went on, they were at the local less frequent all the time, and I was always at the local and they just weren't there, and they were being paid by the local for servicing the slot machines.

Director COTE. Here's what I want, because we had that before. Could you give me any specific period of time where you would know that the individuals

were full time at the hardware store but were paid by the local union? If that happened during the period when you were financial secretary, you might be able to give us some specific time.

Brother SPEIDELL. I wasn't financial—

Director COTE. I mean recording secretary.

Brother SPEIDELL. If put under oath, I couldn't testify to that. I can't get around that.

Director COTE. Could you give us just about the time?

Brother SPEIDELL. The year when it was, you mean?

Director COTE. Yes.

Brother SPEIDELL. It would be 1946—1947.

Brother BILLHEIMER. Randy Gray could give you the exact dates.

Brother SPEIDELL. He can give you the exact time.

Director COTE. Anyway, there were two fellows during that period, a portion of that period of time, worked full time in the hardware store—

Brother SPEIDELL. Yes, that's right.

Director COTE. And were paid by the local union?

Brother SPEIDELL. That's right. And then there were two janitors at the local—

Director COTE. Could you give me their names again?

Brother SPEIDELL. Yes, sir. Arnold Schenofsky and Glenn Aufdenkampfe.

Brother DUCK. That's Dick's nephew, Gosser's nephew.

Brother SPEIDELL. Then there were two janitors. They worked at the local. They were out at the hardware half of the time, working out there. One was Connie Hatt, Melvin Schultz's father-in-law, and the other was Scottie—

Brother DUCK. His last name is Scott.

Brother SPEIDELL. He was a janitor. His last name was Scott. He had to work out at the hardware quite a bit.

And there's another thing that I can testify. I don't have to go any further for anybody else. When the hardware was boughten and set up, it was a new hardware. It wasn't boughten from anybody else, see. They rented the building and started the business and Norm Myers was and is the treasurer of the local, and he went out there day after day after day to set up the books out in that hardware—neglected his work at the local. I can testify to that. Melvin Schultz was in partnership in the hardware. He and Dick and Melvin spent a lot of his time in his own office on hardware business. I can testify to that.

Director COTE. Is Schultz connected with the hardware now?

Brother SPEIDELL. We believe he sold it.

Brother DUCK. Gosser squeezed him out.

Brother SPEIDELL. Too, another thing that griped me from the members' standpoint, was the fact that I was recording secretary down there and I got \$110 a week, and I am not a typist, but I had occasion to type letters all day long. There was a girl sitting in the next office, Schultz's secretary, who at different times was expected to help me. The instructions changed from time to time, but I pecked out letter with two fingers at \$110 a week, and the girl in the next office, Schultz's secretary, sat there doing hardware work. These guys paid \$1.50 a month for it.

Also the station wagon, the local 12 station wagon was used for hardware work. I told you members the last time. I went into details on that.

Then another item about the \$36,000. I was a witness to that. We were called into a meeting in Dick's office to discuss the finances of the summer camp and there was Randy Gray, myself, Melvin Shultz, and Dick Gosser, and one or two or three others, I can't recall who they were, in Dick's office. When we went to go up the steps—Dick's office is on the fifth floor of our office—I ran into Randy Gray. We walked up together. He said: "Watch Dick have a fit when he sees this one item," and he showed me an item on there for \$36,000 of unlisted items from the Colonial Hardware, and true enough, when we got up in Dick's office and Dick saw it—and this, mind you, was beside the listed items, such as electric stoves, ice boxes, and so forth—when Dick saw the item he said: "Jesus, what the Hell would happen if any of my political opponents ever saw that?" He said: "You change that to miscellaneous hardware items." How he thought that was hiding it, I don't know, but I saw the \$36,000 unlisted item thing on there.

It is common knowledge, too, a lot of this stuff. Everybody knows this stuff over there. It is common knowledge that in 1947 there was over \$300,000 put

in the camp up there, between the camp and the worthless farmland that they bought, and it got to the point—the thing that always disturbed me is that our members were neglected so. These fellows in the shops, on the committees, will know that by God it is hard to get an appointment with the board member to get out and service them, and it got to the point where instead of the camp being a subsidy of local 12, local 12 was a subsidy of the camp. It became a mania with Dick, to the sad part of the members.

Now I just want to stick my horn in on this physical threat thing. There's four of us in the room, Billheimer, Duck, Schick, and myself, who sat in staff meeting after staff meeting after staff meeting, and I doubt if there was ever one staff meeting when there wasn't a physical threat thrown out. I can hear it yet where Dick would say: "Get the guy beaten up so he will have to go to the hospital, and when he comes out of the hospital, we will have him beat up again so he has to go back again."

I heard that time after time after time again until I got tired of it. I can get a guy to testify, my partner, who was director of the camp, that on cots up to the lake, when they first started up there they needed about 60 cots. They had to be iron. There are restrictions and laws governing them, and mattress pads, and they cost \$44 a unit through the hardware, that could have been purchased for \$27 and that was a known fact at the time, but still they were purchased through the hardware.

Now on the farms. This is something like the first item I brought up, but 1 day a week, all of us, including the international men who might be down in Piqua, who might be down in Mansfield or Kolbe, who might be—where did we go over to?—Fayette, over that way, no matter where they would be, they would have to come in and work 1 day a week on the farm, and letters can be produced that Dick wrote that said there would be absolutely no excuses, sickness, weather, or anything. As I told Brother Cote and Mazey the other day, I have been in the woods myself up there at 10 below zero chopping down trees, and you know how good I would be at chopping down trees.

I don't want to go into detail on that thing, but if we didn't go, we were fined up to \$12 a day. Then later on I think it was raised to \$16, wasn't it?

Brother DUCK. Yes.

Brother SPEIDELL. Three of us cracked our cars up because we had to go on icy roads right in sleet storms. We had to be up there at 9 o'clock in the morning, 50 miles from here, and I don't know how those guys from down the other end of the region got in, but you guys paid—day after day after day the international paid their men to go up there and do farmwork.

And I told you the episode about the potatoes, Cote. You remember that.

Director COTE. Let me ask this: You mentioned a little while ago about a certain period you were recording secretary and you resigned.

Brother SPEIDELL. Yes.

Director COTE. Because of differences. Were you a "rep" before that or after that?

Brother SPEIDELL. I never was a "Rep." I never was on the international payroll.

Director COTE. That period when you went then to the farm was when you were—

Brother SPEIDELL. Local.

Director COTE. As a local officer?

Brother SPEIDELL. Yes, but I rode in the same cars with international reps.

Brother DUCK. Everybody went.

Brother SPEIDELL. The guys that were excused were Murphy and Schultz, period. Even Ballard, then he was regional director, had to go up there, and there wasn't any excuse, and I'm telling you I shoveled pig shit up to my ankles up there. There was an old shed up there about this size. They wanted to use it for something else. Pigs had been in there for years. There was a crust on the top. They wanted it cleaned out. We got underneath that crust and you should have seen it.

That's one thing that I think you guys are on the spot. You were paying out money for reps and they were going up there and wasting our dues dollars, and I was one.

Now I can get my partner, Molik—here's one I can't testify, but I can get my partner Molik. He is willing to testify that material and things were purchased for the summer camp by the local and then in turn sent on up to Will-O-Land Sportsmen's Club.

Director COTE. Before it was the camp over here, is that right?

Brother SPEIDELL. No, the camp was at Sand Lake then. The Will-O-Land was at Clare, Mich.

Director COTE. Before they sold the San Lake property to the camp, wasn't it known then as Will-O-Land Sportsmen's Club?

Brother SPEIDELL. That's right.

Director COTE. That's why I asked that.

Brother SPEIDELL. Yes. Now it's like I say, I could go on—Mr. Lacey, I would like to have you hear this. I could go on, like I told you the other day, forever with things like this, but the part that burns us up is that I know Eddie tried and he got hold of—what is his name—Conway?

Brother DUCK. Conway.

Brother SPEIDELL. We got hold of Vic Reuther. Perhaps we didn't get hold of either of you, and we couldn't get anywhere. This isn't the time for charges, Brother Lacey. Our union is in jeopardy down here, and this all could have been kept out of the papers, but nobody saw fit to move.

Now you guys might have the best intentions in the world, but you can't blame us for doubting you. You have got to prove yourself, because we went through all of this stuff and Brother Mazey seemed to be in charge of the last meeting. Mr. Cote sat back a little ways, and then Mazey comes out in a meeting and says he didn't hear any evidence that was incriminating. My God, that's an awful slap in the face, and we didn't know what in the hell to do. Christ, we felt that we haven't had the board with us at all, and that's why I am bringing out these things. That's why I would like to tell you, why I wanted to tell Mazey about Dick still trying to get George in after you guys had had all these caucuses, and it looks to us now like there is some kind of tieup between Gosser and Mazey.

Director LACEY. There isn't.

Brother SPEIDELL. How could he overlook me telling him this?

Director COTE. I think there is possible misunderstanding maybe on what Emil meant. You see, the things that you fellows gave us, the material that you fellows gave us, except the question of the audits that Emil had reported on there and which are going to be made a matter of record for the local unions and for the membership, Emil took a position on the audits as the auditor checked the different accounts.

Now as far as the material you gave us and the material you are giving us today, we have not reported to our international executive board on those matters, so what Emil was saying, and he might have led you to believe that, what the hell, the material that you gave us wasn't sufficient for us to do anything but you can rest assured that we are not in here just for fun and we are in here to follow through on the material that we got from you fellows as well as this new information on anything that we can gather.

Brother SPEIDELL. Well, you see, what led up to that meeting, too, made us wonder so darn much.

Director COTE. Let me interrupt again. We find ourselves in a peculiar position because we are wanting to do something about a bad situation that has developed in the union. On the other hand, I know that the most of you in here, maybe all of you, understand that we are guided by this constitution that we helped draw up as well as you people have all had a part in drawing up, so we have got to stick within the confines of the constitution. That's what makes it difficult, because the people involved here want the matter to be taken through its course by presenting information to us and then having us follow through and something done about it, where we have got to stick by this or in the absence of sticking to this and bringing about a different situation here, that the executive board do something.

Now it's my opinion, Eddie, and the rest of you, that the executive board within a very short period of time will be getting into the material that we have got as well as the record that is being taken today, and something will be done.

Now I don't know what can be done. We are just members of the committee as well as members of the board and this will have to be discussed thoroughly, but all this information that you are giving to us is going to be taken to the board. That's what you want now.

Brother DUCK. Well, Brother Cote, I think we can say with assurance, unanimously, we who are from Toledo, that unless this entire matter is cleared up, and what has been called Gosserism completely removed from Toledo, local 12 at least is going to lose five or six of its units, including some large ones.

Further than that, and I will say this, even in the face of someone wanting to prefer charges against me for saying it. I think that there is such a thing as treason. As Patrick Henry said: "If this be treason, make the most of it." That if the UAW international executive board, after hearing an avalanche of

facts and charges which we are now making, does not see fit to clean up and clean out those who are responsible for this situation in Toledo, then I say there is no reason for any of us even caring to belong to the UAW-CIO.

Director COTE. Let me inject just one thought, Eddie, and I know that you fellows all know what was going on about the time that we were here the last time. The girls were out of the local union hall and there were statements in the paper that the girls had quit or left their jobs, wasn't that true?

Brother DUCK. There were statements made, but the statements were not true.

Director COTE. I mean there were statements made.

Brother DUCK. They had not quit. They had gone on strike.

Director COTE. Let me put it clearer than that. There were statements that the local union officers had taken a position that the girls had quit. Isn't that right?

Brother DUCK. That is right.

Director COTE. All right, now, following through on that, what did we recommend in the local union meeting? We reversed the position of people that were thinking in our opinion wrong on that.

Now there was a question of Brother Gray at that time. Gray had just about got out of his office at that time and there were statements by Gray that they had taken over his office and changed the locks, and so forth. They were made in the presence of Emil and I.

Now there was knowledge—it was public knowledge by you fellows, through the press and through the medium of the grapevine and what not, that charges were going to be preferred against Gray in that meeting and remove him from office. Wasn't that true?

Brother BILLHEIMER. Yes.

Director COTE. Now what happened in there was that we said: "You just don't do that." Now the two things that we did, and that's the only two things we did, fellows, and I'm telling you that if you figure that Emil was trying to cover up for him, Hell, he couldn't go in there and browbeat the guys on the basis of this information, because we are set up as a committee, not to come in here and do a job ourselves but to get the information and go back to the board. I think you will agree on that.

Brother DUCK. Yes, but he did make a statement which, in our opinion, minimized the evidence which we had given him, aside from the audit of the books.

Director COTE. Maybe that's true, Eddie.

Brother DUCK. He made the statement which told the people that we had not presented him with factual material or documentary proof, and so far as we are concerned, our word on an affidavit, supplemented by any photostats which we can bring you at a later date, and including what Emil Mazey already has in his possession if Randolph Gray can be believed, should be sufficient evidence to warrant Gosser's expulsion from the whole union I think.

Director LACEY. Well, I'd like to raise a question there. Now, you said your word on this thing here would be sufficient. Now, would it be sufficient to uphold this charge I have here of overcharges? Would you say your remarks here would be sufficient?

Brother DUCK. No, I think that our word should be sufficient on a number of things.

Brother SPEIDELL. I don't, Lacey.

Director LACEY. We are trying to pin this thing down.

Brother DUCK. Not on that, no. Not on that.

Director LACEY. As I said before, I am interested in the things that seem to me to be very, very serious charges. I mean overcharging is very serious to me.

Brother SPEIDELL. Damn right it is.

Director LACEY. I maintain if any of the local officers, while it would be a local problem if they were involved, they still are members of the UAW. If they are involved in the slot machines—

Brother DUCK. Randolph Gray has receipts on the slot machines. He has receipts and he can produce them.

Director LACEY. When this thing comes before the board, as it will undoubtedly come before the board, these charges must be substantiated. We are not technical, but we have to have something definite.

Brother BILLHEIMER. I think if you will go back to Detroit and ask Emil Mazey, he will tell you he has got documentary evidence—I mean Gray says he has.

Director LACEY. If Emil has got it, that will be sufficient. What unit do you belong to?

Brother DUCK. I belong to the Auto-Lite unit. I have 16 years seniority there. I worked for Gosser from 1941 to December 18, 1948, with the exception of a fast 17 months in the service during which time I still continued my column in the Toledo Union Journal, and even had to buy my own postage to send it in overseas because the board voted not to give me the postage.

In our opinion, the solution to this problem is that Brother Gosser and his dominating clique must be removed from office and from power because, after all, these people who we have in mind are completely subservient to Mr. Gosser, and some of them are just about as guilty as he is.

You see, Brother Cote, one of the reasons that I resigned was because I just couldn't live with my conscience and take \$150.50 minimum per week, and I was fully and finally convinced after having waited and waited and waited, that Brother Gosser would not reform.

Now, I have been told by Frank Molik, Lloyd's partner in business, just today, in the presence of Brother Billheimer and Brother Bob Martin, that materials and items which were purchased at Colonial Hardware Store for the summer camp were not only delivered straight up to the Will-O-Land Sportsmen's Club, of which Cosser is the principal stockholder, but were even dropped off at Gosser's home on Northwood Avenue and at Ballard's home. Frank Molik would have to give you the exact information on that, but that is exactly what he told us; is it not?

Brother BILLHEIMER. That's right.

Brother DUCK. Now, here are a couple of things else that I would like to bring out. Lloyd missed one of his points from last week, so I'll cover it. To show you the way the funds have been squandered, I don't know whether they bought the chickens through the Colonial Hardware Store or not, but I understand they considered attempting to buy groceries through the Colonial Hardware—is that right, Lloyd?

Brother SPEIDELL. Yes.

Brother DUCK. There were 5,000 chickens in the spring of one year at that summer camp. Through their expert farming—what do they call it? Animal husbandry or something—lo and behold, when the leaves fell in autumn, there were 50 out of the 5,000 that didn't die. It took a couple of guys a couple of days just to bury the darned things, their corpses. Clayton Rush I believe was one of them who bent the shovel a little bit.

Now, here is another thing that is very wrong. I don't know whether the man will admit it, because he is still on Gosser's payroll. He has worked for him anywhere from 5 to 9 months, I would say, and, like a lot of others, he likes his job, and we have nothing against him in particular, but I think he ought to be truthful if he is asked, and that is the case wherein Brother Ed Brown received a vacation check which he knew—

Brother SPEIDELL. That can be checked.

Brother DUCK. That can be checked.

Director COTE. Ed Brown.

Brother DUCK. Ed Brown. Which he knew was not coming to him.

Brother SPEIDELL. An international representative.

Brother DUCK. An international representative serving on Brother Ballard's staff. I believe under your UAW procedure a man who has 5 years' experience as an international representative receives an extra week or a third week of vacation pay. Well, Brother Brown had the aforementioned service, as we stated a moment ago, which certainly did not entitle him to an extra week of vacation pay. Well, I don't know whether he got the third week or whether it was 2 weeks or what, but anyway he had at least 1 week's pay that was not coming to him. Brother Walter Murphy, Richard Gosser's administrative assistant, encountered Brown in the PAC office at local 12 on the second floor and said to him: "Brother Brown, you know you don't have that vacation check coming to you, and I want you to sign that check, endorse it, that is, and give it back to me and I'll turn it over to the flower fund."

Brother Brown said: "Yes, Walter, I know I don't have it coming, and I agree with you that it is dishonest, perhaps, for me to keep it, but I think it is just as well for me to keep it for my family and children"—and he has five, I believe—"as it is for me to give it to the flower fund. It is no more dishonest for me to have it than you people."

And he refused to give that check back to Murphy for the flower fund with his signature on it. Then a short time later I understand that Walter Madrzykow-

ski, the other administrative assistant of Brother Gosser, encountered Brother Brown and said: "Ed, don't be stupid," or "Be smart," or something like that. "Turn the check back." Brown said: "No, I won't."

Brother SPEIDELL. Endorse it.

Brother DUCK. He wouldn't endorse it and turn it back. He wouldn't do it, and didn't. Perhaps I don't have everything verbatim, but, believe me, that is what happened; is it not, Harold?

Brother BILLHEIMER. That's right.

Director COTE. The reason why this is important, we can check this. We could check to find out if he got a check he didn't have coming.

Brother SPEIDELL. You can check his length of service and whether or not he got a vacation check. I don't think he had enough service in to get one.

Brother DUCK. Now speaking of the flower fund, they made great mention of the fact that I owe the flower fund \$95, and I told Murphy 2 days before the meeting that you attended at Scott High, when we had a meeting at local 12 on Wednesday, I said: "Yes, Walter, I owe the flower fund \$95, and I don't intend to pay it, because that was my money that I borrowed back." I said: "I have that new Buick you talked about, too, but no thanks to you, because I gave you my \$15 every week for which I received no receipt and no accounting." I said that I thought that the people in local 12 ought to take their hat off to me for being able to get a little bit of it back. Most people don't.

During the last year that I worked at local 12 I turned back in kickbacks to Brother Murphy, for the flower fund, between \$700 and \$900, I would estimate.

The flower funds have been kept in safety deposit boxes, and even transferred from one safety deposit box to another, and I understand that Brother Murphy and Brother Gosser had a very serious argument about that a short time ago.

And it seems very foolish for Brother Gosser or Brother Ballard to ask anyone to believe that this flower fund is all on the up and up and that everything can be accounted for because they can show you where the checks were made out to certain people, because when the money goes into a safety deposit box, and then probably part of it is transferred into a checking account, what would become of anything that would not be transferred into the checking account? And when Brother Murphy stated under oath that he couldn't give an accounting of the flower fund, or words to that effect? I believe that I am safe in saying that Brother Murphy will no doubt be given a chance to reconsider on that statement, because I am sure that these people in court are going to demand an audit of the flower fund, and I think that Uncle Sam might be a little bit interested on the income tax angle.

Now we talk about what is right and what is wrong in the way of publicity. You told me over the phone yourself I believe this morning, Brother Cote, that you had seen what the Toledo Union Journal said about me. I am referring particularly to this column by Odessa Overy, who is a friend of Brother Gosser who is in this choral club that they have.

Sister Overy said in her column—and I have informed her that when this is over I intend to sue her and the Toledo Union Journal for libel—she said in her column that some people are money hungry. She said that she knew of one ex-international representative who while he was working for the union couldn't afford an automobile, but who was able to ride around in a new Buick when he started to law school and was living on \$120 a month.

She further went on to state that the committee to save the payrolls and Paul Block could do great things for a traitor, or words to that effect.

Now to show you the obvious malice of the writer, she knew that I didn't derive all my income from Uncle Sam, because I sold her a set of the Encyclopedia Americana, and I gave her \$10 for giving a tip to me to send somebody else a set who might be interested. She knew that my wife was selling Avon products, cosmetics, because she bought some from her.

I did have an automobile which was a 1941 Dodge Luxury Liner—rather my wife did. Both the automobiles are my wife's. They are in her name. I don't make \$120 a month from the Government. I get \$120 subsistence plus \$45 disability pension, and that will show you just the obvious malice in Sister Overy, and you have to hold still and take those slanderous remarks which infer that someone has sold out.

Now you might have heard this already, too, from a very good friend of mine for the past 8 years, up until just recently when I found that he had made out an affidavit against me, after trying to pump me for conversation. He told me on the telephone the other day that he had given an affidavit to Brother Gosser

stating that I had told him that 14 or 15 prominent Toledoans had called me on the telephone and stated to me that they thought that I was the logical person to lead this fight that should be led against Brother Gosser.

The man's name is Alfred Kenngott, from Champion Spark Plug, one of my very closest friends until this happened.

I informed Brother Kenngott that I had never at any time told him any such thing. I said that I could not possibly tell him any such thing, and that no prominent Toledoans, particularly industrial or management men, had ever spoken to me at any time on the telephone or otherwise encouraging me to take part in this fight, and that I had never received a penny from any management or the payroll committee or Paul Block for taking part in this.

He said : "Well, I don't know who told me, then."

I said : "Well, that's your problem, Al. I'm sure I didn't tell you, and to show you just how sure I am, if you have the guts to take me up on this, let's go down to the Toledo police station tomorrow morning, and I'll take a lie detector test and I will prove to you that I did not make any such statement and I could not possibly have made such a statement to you."

He said that he didn't have to watch me take a lie detector test—he knows what I told him.

My offer still holds good, and before this is through, I am going to ask to be permitted to take a lie detector test on that, and I want to say here and now that I will take a lie detector test also, and you people should take particular note of his, and I want to be asked the question of whether I have ever received a penny or a favor or merchandise from any management or the payroll committee or Mr. Block at any time in my life, and I defy Brother Gosser to take a lie detector test and have the question asked of him whether he has ever accepted money from management or not, and I have a reason for saying that, and I know this is going in the record and I want it there, because a year ago, one day in February, there was an article in the Toledo Morning Times wherein Brother Gosser's wife was filing a petition for a divorce against Brother Gosser, and in that petition it was stated that Mrs. Gosser said in her petition that he had a salary of \$800 a month from the international union and that he had received substantial cash payments from deals between organized labor and employers believed by her to be in excess of \$10,000 during the previous year.

I want to say that Brother Gosser had never to my knowledge denied that accusation, even in the privacy of a staff meeting. He did not deny it in Scott High School when you were there, Brother Cote, although I took the floor 2 nights before, before a few hundred people at local 12 and repeated the same words that I am repeating right here to you.

I think that it is an established principle of law that admission of guilt by acquiescence or otherwise is considered sufficient evidence.

Now you wanted specific instances of dishonesty. Randolph Gray testified under oath that a balloon or balloons were purchased for a Labor Day parade and they received an invoice or a bill from the original supplier for \$35. Yet, they received a bill from the Colonial Hardware for that very same balloon or those balloons in the amount of \$40, and that is another bill which Randolph Gray questioned and did not approve paying.

We speak of threats. Robert Burkhardt will very readily tell you, and I can tell you that he has already told me on a number of occasions that at the time that he left the staff in 1943 of Brother Gosser, who was then regional director he was told : "Burkhardt, I don't want to see your path and mine ever cross again, because if I can't beat you up physically, I have people around me who can." Brother Burkhardt will tell you that that is a true statement, and I believe Brother Schick can tell you he heard the same from Brother Burkhardt.

Brother SCHICK. I remember he said that. I agree that Burkhardt made that statement.

Brother RUSWINKLE. He made the same statement to me.

Brother DUCK. Now to give you a further picture, if we are going to talk about a picture, we are going to talk about a picture that was taken in I believe Troy, Ohio?

Brother SCHICK. Yes.

Brother DUCK. Where a victory celebration was held after a union election.

Brother SCHICK. Hobart Electric Co.

Brother DUCK. Hobart Electric Co. Specifically, Carl Schick was one of the organizers in that plant, and he is sitting in this room today.

During the party which followed this election victory, they had a couple of barrels of beer and everybody had a few beers and a good time excepting

probably Arnold Schenofsky, who was Gosser's cameraman, and who is or was director, codirector of the camera club. He doesn't drink. But he was there with his camera.

After having imbibed a few brews, everyone was having some fun and one of the girls there from the plant perched herself in Carl Schick's lap or on his knee and I guess she put her arm around him and kissed him. Something like that. Is that right, Carl?

Brother SCHICK. That's right.

Brother DUCK. At that time Arnold Schenofsky snapped the picture.

Brother SCHICK. I'd like to make one correction while you are going along. There was another camera in the room and it was owned by Chris Toffel, and whether it was Schenofsky or Toffel that took the picture, I don't know.

Brother DUCK. I can tell you, Carl, that I talked to Chris Toffel about this just Sunday night at his home and he told me that Arnold Schenofsky took the picture.

Of course, Carl was very much put out at what happened after the picture was taken. Lo and behold, one of the Gosser international representatives showed up with that picture developed and paraded it around the Spicer plant and said to the people, probably during the political campaign, which they wage rather heatedly at Spicer among other plants in Toledo.

He said to the people: "Is this the kind of a person that you would want to vote for? Just look at him. That's the way he behaves when he is out spending your money, union funds," or words to that effect.

Now Carl Schick, a short time later—or rather a short time ago, I should say, was in Brother Gosser's office. Brother Burkhardt testified up at Ford yesterday before the executive committee of local 600 that when he walked into the room, Brother Schick was obviously very unhappy and he was arguing with Brother Gosser about this obvious blackmail attempt.

Well, Carl is here and I will let him tell you exactly what happened so you will get it right straight from the "horse's mouth."

Brother SCHICK. Well, my name is Schick. Brother Gosser sent for me to come down to the international office and I came down. He seemed to be worried about the evident disharmony, note of disharmony, and he said that he wanted me down there to try to create some more harmony, and he says: "To prove it," he says, "I have a picture here that was given to me some time ago, a long time ago." He says: "It was given to me by one of the—." He didn't name who gave it to him. I took it that it was one of the staff members, and he said: "I never used it against you, and to show you my good faith," he says, "I assure you that it will never be used against you."

And I said: "Dick, you can stop right now." I said: "That has been used against me already. The first time I became aware that you even had the picture was in a conversation with Walter Murphy in my shop, and it was in regard to the organizational work that had been done in Fort Wayne, Ind."

In the conversation with Murphy, I felt that while we did not win the election in Fort Wayne, I felt that I personally had put out a great deal of effort, and he says: "You mean that effort that I see where you were having a good time in Fort Wayne?" And I said: "What do you mean, Brother Murphy—the same as anyone else on their off hours? What are you referring to?"

"Well," he says, "I seen a picture of you with a girl sitting on your lap, and you sure were having a good time when you should have been doing an organizational drive at Fort Wayne."

And I said: "I am going to tell you something, Walter Murphy. The only picture that I know of that was ever taken of me," and I says: "I was more or less intoxicated, and that picture was taken in Troy, Ohio, and we were celebrating the election of the Hobart workers there and the liquor was furnished by the international office, through Dick's office, rather, through Jim Crowley, then the man kind of like a foreman under Dick—"

Brother BILLHEIMER. Administrative assistant.

Brother SCHICK. And everybody enjoyed this victory and people from the plant come down, and I readily admit I had more than I possibly should have had, and this incident happened where someone got this girl to wind up in my lap, and I probably didn't resist too strenuously, but the fact remains there was a picture taken of me in that condition," and I told him: "That is the only place that a picture of that nature was ever taken that I knew of and while I was at least conscious enough to know that there was a picture taken."

If I had the picture here now I could, by members in the room, I could prove with the backgrounds that are in the picture that the place that it was taken was in the union hall in Troy, Ohio.

By the way, this picture had been used against me—the threat of this picture used against me in a previous election out at the shops.

One of the guards normally in opposition to me that are members of my union said to me one night—I was on the night trick—he says: "Carl, there is something going on that even I can't stomach," and he says: "I haven't always been your friend." This man's name was Rice, Lee Rice, the guard. He said: "They are passing or showing a picture of you around the plant where you have an office girl or some girl sitting on your lap, and they are using it in an uncomplimentary way in an effort to defeat you in this election." He said: "I felt that you should know about it."

I confronted the now deceased Robert Thomas, who I felt was in charge of using this picture against me, and I told him that if he didn't stop that type of campaign in our shop, that I felt that I would have to bring out some things that I felt I knew about him that wouldn't be good for the union movement, but to protect myself that I would have to bring them out. I told him that if he no longer used the picture in the campaign that I would drop my efforts. The question was left there. The evidence that I had in the way of handbills and everything were held back, and evidently he held back further circulation of this picture.

I must also say now that this got so serious that I felt that I had to take it to my wife and the older children in my family, which was quite a blow that a man working as I had, would have to possibly forever lose the confidence of your family because of a situation such as that.

As I said before, I regretted it. Probably I could have controlled it, and probably I couldn't.

Gosser, when I confronted him and I wanted those back, he wanted me at that time—there was a big meeting called for the civic auditorium. The weather was bad and it was one of those meetings where he was going to confront the opposition on the various problems, and he wanted me to come to the civic auditorium and evidently in a manner to show a sense of unity, and by me appearing there, he would give me those photographs, and I told him that I didn't have any assurance that I could be to the meeting. The weather was awfully bad, and I did not go to the meeting, but I did ask him if he wouldn't please return them to me, and that was in the presence of Robert Burkhardt, and he still has them as far as I know.

I think the effect of the photographs are now gone, because I have gone to quite some length in various caucuses and everything else to tell the membership that I feel that they know me well enough not to again use them against me. I think I have killed the effect of those now.

But that is the type of man that we are supposed to look to for the leadership in this region and in this international union. I don't think that that is the thing that organized people want.

I was active in trying to help build this union. I come into this union in 1932, first into the International Association of Machinists, and then into the Federal Labor Union known as 18384, a division of the American Federation of Labor, and then later at South Bend became local 12 within the UAW-CIO.

I have given the best part of my most vigorous years for the labor movement and I feel that to have a man—and I must say also for the record that originally in 1942 I voted for Dick Gosser as regional director, because I thought that he would give the power and the influence that we needed in this region, but lo and behold I must say that I feel now like the people in Germany must have felt when they elected the Fuehrer Hitler to power and then found themselves completely at the mercy of that type of leadership.

I want to bring out now that at the last time Mazey was down here with Brother Cote I reported to their committee that I as a trustee of the building corporation of local No. 12 was confronted with paying a bill that was a blank bill in the neighborhood of \$250.

I objected to it, and I wanted to know what the bill was for. There wasn't anybody in the room able to give me the information. I made a motion to table and the motion to table carried. It was so bad that even the other boys couldn't go along with it.

At the Scott High School meeting I again confronted Brother Gosser, after he had stated: "Don't take your things to the newspapers. Bring them to the union, the house of labor, and put it out on the floor. Ask the questions and get the answers." And I did that at that meeting. Brother Cote, you heard me.

There were threats on the side from some of his followers, but he very gallantly put the threatening people in their place—seemingly in their place—I want

that put that way, but I felt all the while, while I was making this report before this rank and file as to what happened and he passed the bill off as a harmless statement, that there wasn't any such opinion in the trustees' meeting as it being a statement. It was a bill for \$250 blank, a blank bill, without any itemized accounts.

I tried in Scott High School meeting to get the proper answer to it, and he passed it off as an unimportant bill, more or less, as a statement, and that if I had anything to say, that I should contact the managers of the Hardware, and after all he was a busy man and he couldn't take care of those problems, but still he insists on running such an enterprise and allowing our union to suffer.

After I left that union hall I had a feeling that I was going to receive the wrath of this union, and that's another point that I want in the record. At the meeting, if you will recall, Brother Cote, he said that those would feel the full wrath of this union. You recall that statement?

Director COTE. Yes.

Brother SCHICK. I had a feeling that possibly I would feel the wrath of that union that night, and I made the statement to Howard Hicks and Charles Clarke, and they said: "Well, Carl, maybe you are a little emotional. Maybe it won't happen. Hope it doesn't."

It didn't happen to me Friday night, it didn't happen to me Saturday night, it didn't happen to me Sunday night, but Monday night it did happen to me, and Brothers it happened in a way that no union man should have to receive.

I was accosted by Beemer in front of the TIUC Hall and he walked up to me in front of the hall door, on the sidewalk in front of the building, and he said: "Schick," he says, "Am I a crook?"

And I says: "Beemer, I don't know you too long. As far as I know, you are not."

He says: "You made a statement that I was," and I had made the statement, I said: "I did not name you as being. * * *" This may not be exact, but it is as near as I can recall. He made the statement that I had said that he was dishonest.

I says: "Orville, I am sorry. I did not make a statement that you was dishonest. I don't know whether you are dishonest or not. I can't make that statement."

I said: "I thought I accosted the man that I thought was dishonest, at Scott High School meeting," and that as far as I was concerned, that was as far as I was interested in the statement.

He said that I made a statement that the Gossler clique was dishonest and that he was part of the clique and so that would make him dishonest, too, as far as the statement; and of course I have no control over his feelings as to how he felt about the statement.

He began pushing me, and he says: "Am I dishonest?" And I said: "I don't know." He kept pushing me and he says: "Am I dishonest?" I says: "I don't know." He was doing it in a menacing sort of way, trying to make me fight. Knowing Beemer like I know him, as being the athletic type of fellow, and he is taller than I am, that I wouldn't have a chance with him in a fight in the first place, and the people that evidently were to the meeting that were surrounding him were urging Beemer on to give me the same licking that Billheimer had gotten, and they made references to being a pudgy Communist.

I want to say for the record now that I am not a Communist, never have been a Communist, and I do not believe in the Communist philosophy.

Director COTE. Schick just made a remark that that was after you got it? Brother BILLHEIMER. Yes.

Brother SCHICK. That's right. And Beemer hit me on the sidewalk the first blow, hard. I don't remember whether it was on my forehead or where it was, but it hit awful hard, and I says: "Beemer, now you have hit me, are you satisfied, or should I turn the other cheek?" And he hit me again. Evidently he was not satisfied. And he drove me out into the parking lot.

He hit me repeatedly. I was not making any effort to fight back. All I was trying to do was protect myself in whatever way I could with my hands. I am a short man: I am fat, and I have no way of moving around like any other individual possibly could.

I recall being knocked down once. I am told by friends that I was knocked under a car, drug out from there, and beaten some more. I must have lost consciousness or full use of my facilities, because, like I say, I can only remember being knocked down once, but evidently, my friends tell me, I was knocked down oftener than that.

I feel this before you, Brothers, that if a policeman hadn't come to my rescue, that I feel that I possibly wouldn't be here tonight.

When the policeman took hold of me, he says: "Where do you want to go?" I says: "I want to go to the hospital. I don't know how bad I am hurt."

He wanted to know whether I wanted to place a charge against Beemer. I says: "I don't know." I says: "I am not even in a mind to properly tell you what I want to do. All I do know, I want to go to the hospital. I am bleeding badly."

And I am sorry, brothers, I don't—I didn't save the clothes or anything, and I am sure you don't care too much for the bloody picture of it, but I will say to you honestly, brothers, even had I been guilty of naming Orville as a crook, I don't think that our union wants to support international reps that want to maim and hurt and kill union members. I don't think that you international board members and representatives of the highest office of our union want that kind of thing.

My nose was broken. After I got over to the hospital, they checked and found my nose broken. They had to bring a doctor in to set my nose, or at least get me so that I could breathe.

After that I was brought back down to the police station and I made what statements that was necessary to the police. I have as of now not placed any charge against Beemer, although the newspapers say that I am named as a complaining witness. The officer, he says: "Schick, if you don't prefer a charge," he says, "I will prefer a charge." He says: "I saw you struck at least twice while I was coming to your aid."

The reason why I haven't pressed a charge is because I feel that if I were to go into the court, that further violence would be put upon me and possibly my family.

I think that that possibly covers everything.

Brother DUCK. I'd like to say one other thing in regard to blackmail that I hadn't mentioned up to this point and possibly some of these fellows don't know about it, but when I was at a convention a little over a year ago in Cleveland, Ohio, some of Mr. Gosser's Overland boys came into my hotel room. Chester Growski, an international representative, was with me at that time, and we were in bed. We had both been drinking pretty heavy, as you do at conventions.

They came in, dumped the bed over, dumped us onto the floor, and so forth.

I got back up and got into bed, and all that I know is that when I got home I heard all kinds of remarks from these Overland fellows, particularly a fellow named Brady—well, I believe it was pretty general among the Overland committee: "If we ever show your wife the picture that we have, you will really be in trouble," and they kept saying that they had a picture taken of me with a girl.

Well, there was no girl with us. It was just Chet Growski and myself, and we had this double bed. He stayed with me.

They kept repeating over and over that they had a picture of me with some girl. Now, whether they brought somebody in to frame me, I don't know, but I do know that they finally gave me a picture and I have it home, which shows me propped up in bed like this, my head against the back of the bed, with about five whisky bottles all over the top of the bed and on each side of me and all around, and I have every reason to believe that they would take that picture, which is not a beautiful picture—I mean nobody is pretty when they are drunk—and pass this picture around now as a part of their campaign of vilification.

I further know that Walter Madrzykowski, Dick Gosser's administrative assistant, went out to one of the plants and asked a girl who had loaned me some money in 1944, to give him the note for that money, obviously to use against me at this time.

I have been told by my best friends that the general opinion is around local 12—some of the officers have even made the statement—that I am going to be burned. I know that they have been out trying to dig up anything that they possibly could against me, and I haven't seen the Toledo Union Journal this week, but Brother Cote, you saw it last week, and I think that you can see where they are trying to build this campaign up to where it is just one man, as they say, meaning me, which of course it is not.

I want to say now that I don't intend to stand for any more of this character assassination. I have already told you the dirty, vicious plot that Brother Gosser cooked up in regard to my wife in that Mansfield Hotel wherein one of his repre-

sentatives made the statement that all expenses and bills for her carrying on with somebody else if they would have been willing—which she wasn't—would have been paid by the union. Inasmuch as this is going into the transcript, I am not going into all of the details. I have never disclosed that representative's name, and I do not intend to disclose his name, even though I do have ample cause for holding it against him—unless Mr. Gosser sees fit to deny his part in that plot and asks me to name the man. Now, so much for that.

In closing, I want to say this: I have ample cause for three or four good law-suits, and I have made the statement that I intend to sue, but I'll tell you gentlemen on the committee this: If you people and the international executive board do the right thing in clearing up this situation, all I ask from the Toledo Union Journal is a retraction of the slanderous remarks which are obviously and completely untrue.

Now, before we leave the record, I will say this further:

I have reason to believe that some of these people might have come to you and told you all kinds of stories. I don't know whether they have or whether they haven't, or whether they are content to let you read it in the paper, but I will say this, that if there is anything that they have told you in regard to my past, my character, my dealings as an international representative, or anything else, I invite you here and now publicly—and I intend to sign this in the form of an affidavit, this entire testimony—I invite you to ask me here and now whether any of these things are true. You ask me if I did this or that, and I will tell you right now, and I will take the oath later.

Director LACY. We have not questioned those people at all, because they will have their day in court. This thing will all be presented to the entire board and those fellows will have their day in court to answer all charges that are made against them. Now, there is no question about that at all. Up to date as far as I know we have not. We are just down here purposely to get your side of the story.

Brother DUCK. In other words, they haven't tried to tell you yet what a terrible character I am, but I know that that is what they plan to do publicly, and they are going to get in trouble if they do, because they are going to be called upon to prove anything they say.

Director LACEY. There is no doubt in my mind that there will be repudiation, including any statements made here. What the merits of the statements are, we are not in position to know at the present time.

Brother DUCK. I understand that Brother Gosser told the Spicer committee that Don Myers gave Orville Beemer the shoulder and that Harold Billheimer swung at Beemer first and raised a contusion behind his ear. As a matter of fact, when Harold Billheimer was attacked by Beemer, he had his hands in his pockets. Don Myers didn't shoulder anyone.

Director LACEY. He has made no attempt to justify it. In fact, he has deplored it.

Brother DUCK. We know how he deplores violence.

Director LACEY. Dick has made no attempt to justify it. He has made no attack on you guys at all, either one of you two.

Brother DUCK. Wait until we see the Journal. Chuck Ballard made the statement I understand last Friday at the educational meeting that Duck would be in the headlines instead of Gosser.

Brother RUSWINKLE. I'd like to say that Verne Keller, one of the athletic directors of the local made the statement, and he possibly will back it up—he said that the local 12 gym was the best equipped in the country with the most inferior products, and they came from Colonial Hardware.

Brother DUCK. Most completely equipped with the most inferior equipment.

Director COTE. On behalf of the board we want to thank you fellows for coming in.

Brother DUCK. You're welcome and we thank you for your consideration.

I, Bond Collier, verbatim reporter, hereby certify that the preceding statements were reported stenographically by me at the time and place set forth in the transcript; that thereafter my verbatim notes were by me reduced to typewritten form; and that the above and foregoing is a true and correct transcript thereof.

I further certify that I am not an attorney in this matter, that I am not party to these proceedings, that I am not related to any of the participants herein, and that I am not otherwise interested in the outcome of this matter.

(Signed) BOND COLLIER,
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